2024 ANNUAL REPORT
on the Performance of
New Jersey's Unemployment Insurance System

New Jersey Department of Labor and Workforce Development

Opportunity. Stability. Dignity.

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This report meets the reporting requirements the New Jersey Department of Labor and Workforce Development (NJDOL) is charged with fulfilling per **P.L. 2023, CHAPTER 42, S2396/A3810,** including an overview of NJDOL's federal appropriations and personnel costs attributed to the administration of the state's Unemployment Insurance (UI) system, NJDOL's performance around the U.S. Department of Labor (USDOL) core benefits categories, coupled with a national comparison, an overview of our ongoing UI modernization efforts, a detailed explanation of how NJDOL uses available funding towards the task of overseeing and administering the state's UI system, and the full NJDOL State Quality Service Plan (SQSP) that NJ submits and USDOL approves annually.

Executive Summary

On May 8, 2023, [P.L. 2023, CHAPTER 42, S2396/A3810](#) was signed into law and went into effect. Under this law, NJDOL is required to provide the State Legislature with, and to make publicly available on its website, a report on the state's unemployment insurance (UI) system. The law tasks NJDOL with reporting on the "timely and accurate processing of, and adjudicating appeals concerning, unemployment compensation benefit claims." The report must be submitted by December 31 every year.

The technical infrastructure of New Jersey's unemployment system has not seen a significant overhaul since the late 1970s. New Jersey, ravaged by the COVID-19 pandemic in 2020 along with every state across the country, realized early on that this antiquated infrastructure was not built to sustain the unprecedented influx of claimants who applied for UI benefits during the pandemic; more initial UI claims were filed in CY 2020, 2.0 million total claims (half of which were filed in March and April 2020), than the 1.9 million claims filed in all of CY's 2019, 2021, 2022, and 2023 combined. This crisis strained the UI system and exposed challenges to providing timely access to benefits, due to ever- and rapidly changing federal eligibility criteria for UI during the COVID-19 pandemic. The need to launch a long-awaited and profound modernization effort s NJ's UI system thus became NJDOL's priority.

This report provides an in-depth analysis into how the UI system is currently operating after NJDOL has instituted a series of changes and improvements since 2020, many of which are still ongoing today. NJDOL provides an annual snapshot of how the UI system is functioning, while acknowledging the areas where we need to continuously make the system stronger to ensure it functions as well as possible for the use of all New Jersey residents who may come to rely on UI benefits.

This report includes:

- An overview of current UI investments, particularly in federal appropriations and personnel costs.
- New Jersey's UI performance in USDOL core benefit categories, along with a national comparison.
- An overview of NJDOL's ongoing UI modernization efforts.
- Context on NJDOL's funding for the UI system and additional funding needs.
- An appendix with extensive details into the NJDOL's State Quality Service Plan (or SQSP), the UI performance report NJDOL submits to USDOL.

Section 1: Federal Appropriations and Personnel Costs

Section 1 of this report covers:

1. For both Fiscal Year (FY) 2023 and 2024, the amount appropriated in federal funds, the budget authority, the budget reserve, the amount expended, and the amount of each year's appropriation not expended.
2. The total unexpended moneys remaining from any previous appropriation.
3. The number of personnel in the department employed in the administration of the unemployment insurance system and the budgeted cost of salaries and benefits for those personnel.
4. The number of personnel who are processing unemployment benefit claims, the number engaged in other functions of the system, and the budgeted cost of salaries and benefits for those personnel.
5. The percentage of total division (agency) administrative costs comprised of those categories of personnel costs.

The below table provides in-depth information and context into NJDOL's unemployment insurance funding and expenditures, specifically breaking down how much NJDOL receives from federal appropriations, primarily, and how much NJDOL spends in personnel costs, including salaries and benefits, in the administration of New Jersey's unemployment insurance system.

New Jersey's Unemployment Insurance System: Funding Sources and Personnel Costs

FEDERAL FISCAL YEARS 2023 - 2024		
	FY 2023	**FY 2024**
	10/1/2022-9/30/2023	**10/1/2023-9/30/2024**
Budget (Reflects UI Base Award)[1]	$123,777,979	$130,342,575
Expenditures-Base UI Grant[2][3]	$147,277,979	$143,572,310
Surplus / (Deficit) - Budget vs. Expenditures[4]	$(23,500,000)	$(30,229,735)
Deficit funded by:		
UI Auxiliary Fund[5]	$ -	$5,000,000
EUISSA (and other funding sources)[6]	$23,500,000	$8,229,735
Adjusted Surplus / (Deficit) - Budget vs. Expenditures	$ -	$ -
	FY 2023	**FY 2024**
Total Personnel Cost-UI Base Grant[7]	$103,495,702	$98,566,670
Total Expenditures - Base UI Grant	$147,277,979	$143,572,310
% of Personnel Costs to Total Administrative Costs[8]	70.3%	68.7%
	FY 2023	**FY 2024**
Total Income Security FTE's[9][10]	1,003.32	936.03
Claims Processing FTE's (Job Number 210200)[11][12]	272.25	240.88
All Other Areas FTE's[13]	731.07	695.15
	FY 2023*	**FY 2024**
Administrative Services & Technology (AS&T) Allocation[14]	38.20%	36.44%

[1] These FY23 and FY24 figures address part of section 1.b.(1) in S2396: "For both fiscal years, the amount appropriated in federal funds, the budget authority…".

[2] Expenditures reflect expenditures and obligations per New Jersey Consolidated Financial System (NJCFS) and any accruals, if applicable.

[3] These FY23 and FY24 figures address part of section 1.b.(1) in S2396: "For both fiscal years…the amount expended…".

[4] It is important to note that, for FY23 and FY24, NJDOL spent more than what was appropriated through federal funds, or the budget authority, to cover the costs of operating our UI system and had to cover those deficits using the UI Auxiliary Fund in FY22 and EUISAA federal funding in FY23, respectively. NJDOL expects to similarly spend more on our UI system during FY25, and forecasts to cover that deficit using, both, the UI Auxiliary Fund and EUISAA federal funding.

[5] The UI Auxiliary Fund is a special revenue fund that serves as the repository for all interest and penalties imposed upon employers for violations of federal and/or state unemployment insurance regulations. The FY 23 and FY24 Appropriations Act laws allow up to $16M and $30M, respectively, to be utilized for UI Operations.

[6] In FY 2020, $29.5M of EUISAA (Emergency Unemployment Insurance Stabilization and Access Act of 2020) funding was granted to NJ to support UI operations. This funding expires on 12/31/2025. EUISAA provided emergency administrative grants to states and authorized emergency flexibility to allow states to temporarily modify certain aspects of their unemployment compensation laws, provided a short-term waiver of interest on state trust fund advances, and fully funded extended unemployment benefits.

[7] These FY23 and FY24 figures address parts of section 1.a.(1 - 2) in S2396: "…and the budgeted cost of salaries and benefits for those personnel," which includes personnel employed in the administration of the unemployment insurance system, those processing unemployment benefit claims, and those engaged in other functions of the system. For FY25, this figure represents the forecasted cost of salaries and benefits for these personnel.

[8] These FY23 and FY24 figures address part of section 1.a.(3): "What percentage of total division administrative costs is comprised of those categories of personnel costs…", For FY25, this figure represents the forecasted percentage of these costs.

[9] Full-Time Equivalent (FTE) data for FY23 and FY24 obtained from New Jersey eCats Timekeeping System - Report 94B @ 9/30/23 and 9/30/24, respectively.

[10] These FY23 and FY24 figures address part of section 1.a.(1) in S2396: "The number of personnel in the department employed in the administration of the unemployment insurance system…"

[11] Full-Time Equivalent (FTE) data obtained from New Jersey eCats Timekeeping System – Report 94B.

[12] These FY23, and FY24 figures address part of section 1.a.(2) in S2396: "The number of personnel who are processing unemployment benefit claims…", For FY24, this figure represents the forecasted number of personnel who will be processing unemployment benefit claims.

[13] These FY23, and FY24 figures address part of section 1.a.(2) in S2396: "…the number engaged in other functions of the system…".

[14] The allocation of Administrative Services & Technology costs is based on UI's Direct FTEs as a percentage of total Direct FTEs within NJDOL. Data for the allocation is obtained from New Jersey eCats Timekeeping system.

Important notes:

- Given that NJDOL's budget for unemployment compensation claims is comprised entirely of federal awards, NJDOL is using the federal fiscal year as its timeframe to report on the use of federal appropriations. NJDOL's Federal Award/Budget Authority is the total dollar value of actual unemployment insurance awards issued to the agency during the federal fiscal year, reflected in the first row that reads "Budget (Reflects UI Base Award)". Relatedly, NJDOL is using the same federal fiscal year as its timeframe to report on all personnel-related data and costs. NJDOL's personnel-related data and costs are obtained through the New Jersey Electronic Cost Accounting and Timesheet System, or eCATS, and NJDOL submits the Report 94B to report annually on Full-Time Equivalent, or FTE, data based on the federal fiscal year as well.

- The federal Base Award NJDOL receives annually is fully expended every year and, in fact, NJDOL typically needs to draw from additional sources to cover recurring deficits as the federal Award does not cover the entirety of the costs related to the state's UI operations.

- In FY2025, NJDOL plans on hiring more staff to administer unemployment insurance benefits, process claims, and in other functions of the UI system, through both external hires and internal promotions.

- **The below definitions represent components of the New Jersey Comprehensive Financial System (NJCFS) Appropriation Screen as it relates to "Budget Reserve":**
    - o **Original Appropriation:** An estimated amount determined by NJDOL during the State Budget process that is projected to be sufficient to accept the total dollar value of UI awards issued by the U.S. Department of Labor (USDOL) within the Federal Fiscal Year.
    - o **Federal Award/Budget Authority:** The total dollar value of actual UI awards issued to NJDOL during the Federal Fiscal Year.
    - o **"Budget Authority Reserve":** The difference between the Original Appropriation amount and the Federal Award/Budget Authority amount.
        - » This does not in any way represent an amount of funding that is or will be left unspent. The Award amount is fully spent each Federal Fiscal Year.

Section 2: Performance of New Jersey's Unemployment Insurance System

The New Jersey FY2024 State Quality Service Plan (or SQSP) Workbook is year two of a biennial plan that the agency submits to USDOL for approval (with quarterly updates), covering all programs within the state's unemployment insurance system and assessing whether the agency is meeting Acceptable Levels of Performance (or ALPs) across measures that span the following related unemployment insurance programs: Benefits, Appeals, Tax, Integrity, Benefit Accuracy Measurement (or BAM) and goals set forth by the Government Performance and Results Act (or GPRA).

The following table shows NJ's performance in the USDOL core benefits categories, along with the corresponding national metrics. The timeframe is the most recently completed four federal quarters ending on September 30, 2024. As of the writing of this report, New Jersey does not meet USDOL's established ALPs across all but one of these core benefits categories, but nearly matches or exceeds national performance in several of these categories. Almost all states are lagging behind the ALP standards set forth by USDOL. While ALPs provide standardized metrics, they are not entirely reflective of a state's UI system performance. For example, New Jersey consistently has one of the highest UI recipiency rates[?] in the country but is graded on the same scale as states with the lowest recipiency rates. The recipiency rate is the share of unemployed workers receiving UI benefits. According to the latest USDOL statistics, NJ's UI recipiency rate ranks fourth nation-wide with a rate of 47%. For comparison, the latest data show a national UI recipiency rate of 25%; with New York at 36% and Pennsylvania at 39%.

[?] The recipiency rate can be defined as the percentage of the total number of unemployed workers that were eligible for and receiving UI benefits during this timeframe.

USDOL Core Benefits Categories – New Jersey and National Performance[?]
Federal Fiscal Year 2024 (10/1/2023 – 9/30/2024)

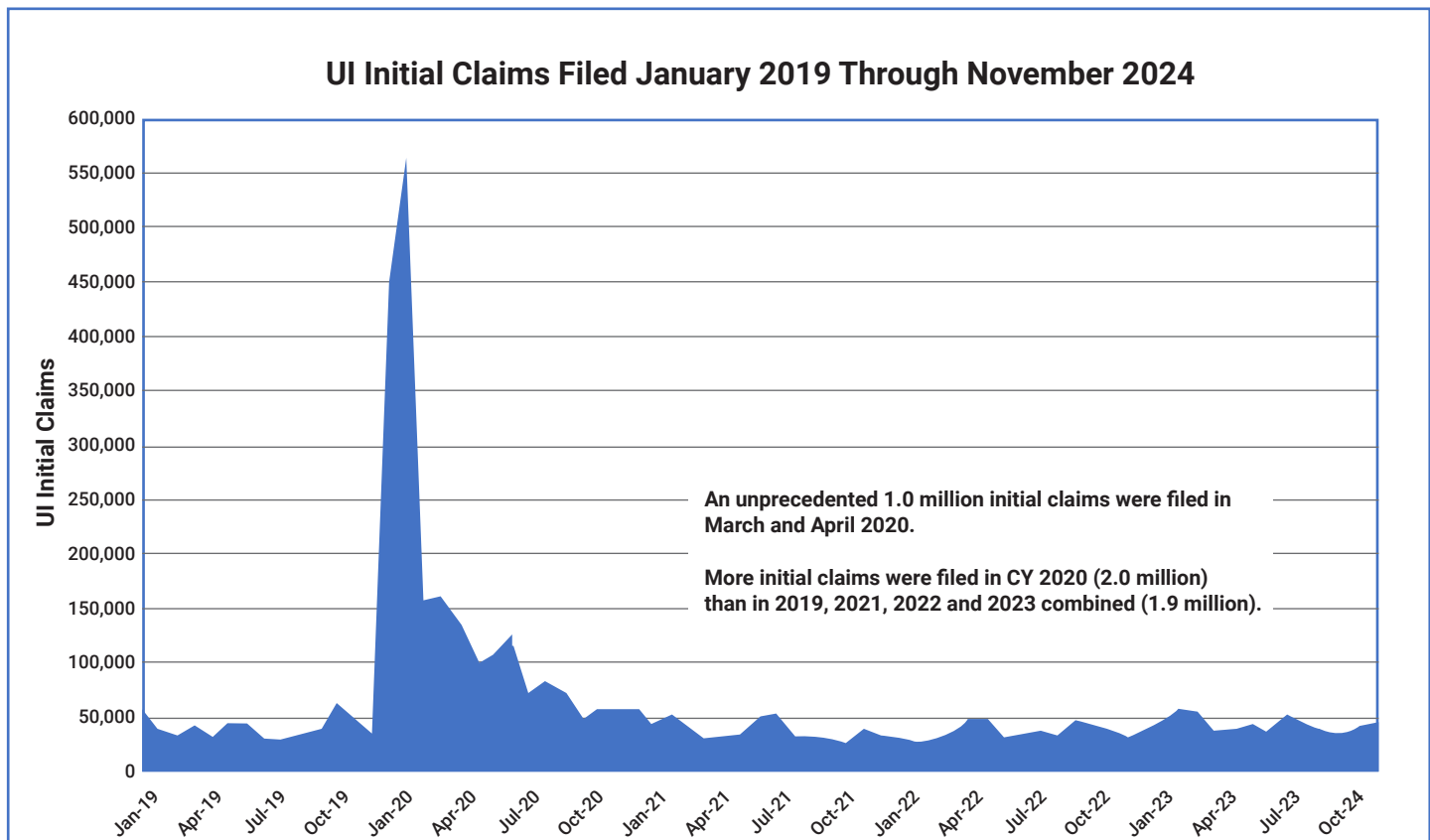|	New Jersey Performance	National Performance	USDOL ALP*
UI First Payments made within 21 days	74.1%	73.5%	87.0%
UI Nonmonetary Determinations made within 21 Days	67.3%	63.4%	80.0%
Nonmonetary Separation Issues Quality Measure+	63.2%	67.8%	75.0%
Nonmonetary Non-Separation Issues Quality Measure+	72.5%	80.0%	75.0%
Lower Authority Appeals Quality Measure	89.2%	99.0%	80.0%
Lower Authority Appeals Open Case Average Age	169 Days	193 Days	30 Days
Higher Authority Appeals Open Case Average Age	191 Days	155 Days	40 Days

*Acceptable Level of Performance

+The most recent data available: 7/1/2023 - 6/30/2024.

The most recent SQSP is available, in full, under Appendix A.

[?] Reported by NJDOL at: https://oui.doleta.gov/unemploy/score_cards.asp.

Section 3: Ongoing Modernization Efforts

The COVID-19 pandemic exposed issues state workforce agencies had been facing for decades in the administration of unemployment insurance benefits.

The below graphic shows initial UI claims filed monthly from January 2019 through November 2024:

UI Initial Claims Filed January 2019 Through November 2024

An unprecedented 1.0 million initial claims were filed in March and April 2020.

More initial claims were filed in CY 2020 (2.0 million) than in 2019, 2021, 2022 and 2023 combined (1.9 million).

Source: United States Department of Labor, Employment and Training Administration, "Unemployment Insurance Data," 2019 – 2023

Thus, the pandemic triggered a mandate to modernize unemployment insurance systems nationwide. NJDOL, in partnership with USDOL and the New Jersey Office of Innovation, embraced the opportunity to think differently about technology in service of all New Jersey workers and, over the past four years, has made important strides to increase access to benefits, and improve both timeliness and equity in claims processing and adjudication. By USDOL ALPs and NJDOL's own internal standards, NJDOL continues to work diligently, and has made strides towards bringing our UI system to where it needs to be. A cross-functional team of NJDOL staff works relentlessly to improve our customers' experience. The ultimate goal is to have a UI system which operates speedily and seamlessly and ensures the timely and accurate processing of initial claims and issue adjudications. Importantly, we want the UI system of the near future to be accessible and adaptable in meeting the needs of all New Jersey workers. While much remains to be done, we have already come a long way since the tragic days of the COVID-19 pandemic and continue to provide UI benefits to all eligible New Jersey workers. Indeed, between January 1 and November 30, 2024, nearly 466,000 initial claims were filed, with 44,300 during the most recent month on file, November, with $201 million in benefits paid out during that month alone.[?]

The New Jersey Department of Labor and Workforce Development continues to innovate to improve the claimant experience through increased accessibility and equity in unemployment benefits, as well as building resilience and flexibility into the technical UI infrastructure.

[?] United States Department of Labor, Employment and Training Administration, "Unemployment Insurance Data," 2019 - 2024

New Jersey is leading by example through a modular approach, rebuilding our UI system piece-by-piece with constant feedback loops from both actual claimants and government users. We are replacing waterfall/traditional methods with human centered design and incremental, agile development to more effectively address the expectations of our residents, workforce and employers.

2024's modernization efforts include, but are not limited to:

- Launching the new UI application and status portal through a staged release approach. Since April 11th, 2024, 100% of traditional users are now filing UI applications through this new application experience.
    - This new intake has led to a simpler, faster process for applicants, delivering immediate results, while taking an agile and modular approach to replace a decades old backend one piece at a time. This new application allows individuals to apply for UI with fewer steps and with questions based on conditional logic that effectively guides users through the workflow.
    - The completely redesigned UI application has 20% fewer questions. We simplified or removed 77% of questions, and there are now 40% fewer questions per page.
    - Reduced average application time from over three hours to 28 minutes.
    - This is apart from special categories of claimants that could never apply online: military workers, federal government workers, and those re-opening a claim. Their ability to apply online is coming soon in 2025.
- Translating the intake application natively (not Google translate) into Spanish, made possible through user testing and plain language writing to allow speakers of NJ's second-most common language to access the online application and claim navigation tools. NJ is also leading integrating generative AI for language access in public services: exploring how Generative AI can help translate UI content to Spanish, especially effective with humans in the loop. **After eight months of content co-creation with 15 native Spanish speakers from various Latin American countries and a team of 5 bilingual creatives, this is the impact:**
    - Achieved parity in completion time between English and Spanish speakers
    - Achieved parity in taking the next right step (identity verification) between English and Spanish speakers
- Launching a new cloud-based phone system with streamlined menu options in English and Spanish, along with enhanced capacity for targeted volume management. Claimants can now independently check their claim status through an automatic status update on the phone, minimizing the need to speak with an agent. This update helps us direct callers to the right information, gather insights on call reasons and timing, prioritize future updates to meet the needs of callers, and increase the number of unique callers who speak with an agent.
- Front-end changes to weekly certification, the claimant-facing system. We added language that made identity verification status easier to understand and act on, added new test coverage to increase confidence for future changes, and analytics to help us understand what to prioritize next.
    - After updating messages people see on their certification screens into action-forward language, clean certifications are up from 18% to 25% for people seeing the error message telling them they need to complete identity verification.
- Publishing a newly expanded Glossary to give more meaningful information for claimants in both plain English and Spanish, going from 32 to 89 terms. The new glossary allows people to understand and find supporting information on topics they might see on formal communications, such as decisions and determinations.
- Creating an Appeals Search Tool for UI and TDI-FLI appeals. Claimants are able to access historical appeal cases to help prepare for an upcoming hearing.

- Revamping written notices to promote enhanced understanding using a consistent design and plan/action-forward language. We now have an email builder that allows staff members in any NJDOL division to continue to build new emails using templates/best practices. **We worked with Innovation's researchers and designers to continue revamping now over 80 UI emails using improved interface and clear action steps:**
  - 25% decrease in requested appeal reopeners after launching the new Notice of Hearing
  - 80% of claimants who've received emails from us in the past believe the updated email communications are clearer and less confusing

Section 4: Funding

The lessons learned during and since the pandemic, namely that failure to steadily invest in systems over time that leave systems unable to respond to a crisis, and vulnerable to fraud, must be lessons that endure. Section 1 above – Federal Appropriations and Personnel Costs – outlines NJDOL's unemployment insurance funding and expenditures for the federal fiscal reporting years 2023 (which ran from 10/1/2022 through 9/30/23) and 2024 (which ran from 10/1/23 through 9/30/24). Importantly, that section highlights the fact that New Jersey's unemployment insurance system is currently funded almost entirely through federal appropriations.

Federal appropriations, however, are insufficient to meet all UI system-related expenditures. Therefore, when NJDOL needs to cover a deficit in UI spending, the agency typically draws from either the UI Auxiliary Fund, a revenue source derived from employers who are out of compliance with state and federal laws,[?] or any one-time federal funding that is available. For example, in FY 2024, NJDOL drew $5.9 million from the EUISAA federal grant funding.[?] EUISAA, however, is a temporary one-time funding source, which is due to expire by 2025 and was given to states to help with their UI operations during the pandemic. Another $5.0 million was utilized from the UI Auxiliary Fund in FY 2024. Further, as NJDOL builds a system that discourages employers from being out of compliance, it is expected that UI Auxiliary Fund funding will decrease over time. Reliance on such funds to cover system deficits in perpetuity is, therefore, unlikely, and not sustainable.

Supplemental federal funds, while useful, are ephemeral and cannot be relied upon as steady sources of income to support the continuous, constant modernization efforts New Jersey residents expect. In addition, there has been a decline in federal funding for UI system improvement in recent years.

When NJDOL does receive funding of any kind, to use towards UI modernization efforts, the Department moves effectively and efficiently to allocate those resources towards improvements that will have longer-term, high impacts on the state's UI system. For example, on September 22, 2023, NJDOL was awarded $11.25 million in additional federal funding, through a competitive grant, to re-imagine and replace outdated processes and related technologies through a human-centered, agile development process.[?] These plans to design an improved UI system should lead to a system that is more responsive and accessible to claimants, employers, and NJDOL staff.

[?] The UI Auxiliary Fund is a special revenue fund that serves as the repository for all interest and penalties imposed upon employers for violations of federal and/or state unemployment insurance regulations. The FY 2023 and FY 2024 Appropriations Act laws allow up to $16M and $30M, respectively, to be utilized for UI Operations.
[?] In FY 2020, $29.5M of EUISAA (Emergency Unemployment Insurance Stabilization and Access Act of 2020) funding was granted to NJ to support UI operations. This funding expires 12/31/2025. EUISAA federal funding was initially established to provide emergency administrative grants to states and authorize emergency flexibility to allow states to temporarily modify certain aspects of their unemployment compensation laws, provide a short-term waive of interest on state trust fund advances, and full federal funding during extended benefit periods.
[?] **American Rescue Plan Act funds continued efforts to modernize IT infrastructure**

The subsequent improvements would ultimately allow for even better services and overall greater performance of New Jersey's UI system. The following improvements are on the modernization roadmap: [?]

- Automating more of New Jersey's manual, time-consuming processes.
- Creating design, monitoring, and tracking strategies to improve the customer experience.
- Implementing real-time responsive communication content changes through infrastructure redesign.
- Replacing the outdated system that currently handles monetary eligibility, benefit and payment calculations, adjustments, overpayments, and employer charges.
- Revamping written notices to promote enhanced understanding.
- Improving our ability to send and receive data from external sources (such as cross-state wage reporting systems).
- Completing the transition from our existing phone system to a more flexible cloud-based system, which will allow us to ensure the state's ability to prioritize more unique users reaching an agent.

To further modernize the state's UI system to the point where New Jersey regularly meets or exceeds USDOL-instituted standards and, more importantly, the needs of New Jersey workers and businesses, a consistent revenue stream is needed. Without consistency we risk erosion of progress. This would require longer-term investments and commitments of resources for staff, training, and UI modernization efforts which include technical and system improvements. These designated state appropriations could help us get closer to meeting these federal standards. Overall improvements to our UI system would lead to a better service experience for all New Jerseyans.

To that end, legislation was recently passed and signed into law which redirects 0.0200% of what would have been the worker contribution to the unemployment compensation trust fund beginning with contributions received for the first quarter of 2024, and forward to be collected and deposited directly into the unemployment compensation administration fund. Workers who are either employed by nongovernmental employers, including non-profit employers, or who are employed by governmental employers that elect, or are required to pay contributions, contribute 0.3825% of their wages to the unemployment compensation trust fund. The legislation reduces the worker contribution to the unemployment compensation trust fund to 0.3625% of wages and requires that 0.0200% of wages be collected and deposited directly into the unemployment compensation administration fund.

Workers who are employed by the State of New Jersey or any other NJ governmental entity or instrumentality that elects or is required to make payments in lieu of unemployment contributions, contribute 0.0825% of their wages to the unemployment compensation trust fund. This legislation reduces this worker contribution to the unemployment compensation trust fund to 0.0625% of wages and requires that 0.0200% of wages be collected and deposited directly into the unemployment compensation administration fund.

This redirection of worker contributions from the unemployment compensation trust fund to the unemployment compensation administration fund will provide these needed resources to the unemployment compensation administration fund and will initially be used to hire 50 Employment Services Trainees for UI, 12 Auditor Trainees for Employer Accounts Tax Operations, Encumbering a portion for Tax modernization, supplementing the continued UI Modernization initiative, acquiring several Lexis/Nexis' fraud preventative applications, and purchasing new laptops for all of Income Security ($3.5M) since all are at the 5 year replacement threshold.

This annual investment into the state's UI system through state appropriations could help address a host of other issues NJDOL is working to remedy as part of this ongoing UI modernization process. This process includes NJDOL being necessarily reflective and using data, community feedback and other monitoring tools to identify and measure pain points within the system that could use improvements.

[?] Currently, our tentative timeline is to act on the list of suggested improvements during calendar year 2024 although, technically, per USDOL requirements we would have until March 30, 2028 to expend these funds.

Conclusion

NJDOL is not just the steward of the unemployment trust fund but of the people's trust. Unemployment benefits provide critical support to jobless workers, and their communities. As such, meaningful investments to rebuild and constantly improve these systems, while remaining resilient in the face of recessions, climate related disasters and other emergencies, is imperative. The work to reimagine the unemployment insurance benefits experience for claimants, employers, and Department staff continues forward. The Department strives to meet the benefit delivery expectations of the New Jersey workforce with improvements to customer experience and in the ongoing creation of infrastructure that allows us to continue to adapt to new policies, receive information about challenges, respond with resources and work effort, and improve iteratively.

Appendix A: Unemployment Insurance State Quality Service Plan (SQSP)

The State Quality Service Plan (or SQSP) is the essential reporting mechanism that each state's unemployment insurance program uses to plan, record, and manage its system improvement. The SQSP is a detailed, statutorily required report that includes both narrative and data workbooks providing an overview and assessment of all facets of an unemployment insurance program and related data measures. Additional information that is submitted with the SQSP includes budget worksheets and ongoing plans to implement unemployment insurance modification efforts.

The report is as much a federal requirement as it is an integral communication tool between state governments and the federal government to show where states are in providing adequate unemployment insurance services, while also using data driven measures to examine how effectively a state program is, or is not, meeting acceptable levels of performance, and where a program needs to prioritize time and resources in order to improve its systems and client-facing unemployment insurance services.

The following report sections include: the Biennial SQSP Overview workbook, which provides a general overview of each measure and program area's Acceptable Level of Performance (or ALP),[?] Corrective Action Plan (or CAP), and 2023 Performance Year Data; subsections starting at 2.1.1. through 2.1.15.5. which are subsections from our current and statutorily required SQSP Narrative; and supplemental workbooks from the Biennial SQSP Overview in appropriate sections of our SQSP narrative that provide greater context into each performance measure, their ALP, their CAP based on year performance, and our agency's target and actual performance percentages during the federal fiscal year.

Our SQSP report timeline follows the 2024 federal fiscal year, spanning from October 1, 2023 through September 30, 2024.

[?] The "Acceptable Level of Performance", or ALP, is the nationally set minimally acceptable performance level that states are expected to meet. The ALP for each performance measure and program area is already pre-set and provided to state agencies and can be seen in each workbook that supplements this report.

1. New Jersey FY2024 SQSP Workbook – Overview

The New Jersey FY2024 State Quality Service Plan (or SQSP) Workbook is a biennial plan that the agency submits quarterly to the United States Department of Labor for approval, covering all programs within the state's unemployment insurance system and assessing whether the agency is meeting Acceptable Levels of Performance (or ALP's) across measures that span the following related unemployment insurance programs: Benefits, Appeals, Tax, Integrity, Benefit Accuracy Measurement (or BAM) and goals set forth by the Government Performance and Results Act (or GPRA). This workbook, and all subsequent workbooks, are used by states to develop SQSP Corrective Action Plans (or CAPs) and to report updates to milestones and performance measures each quarter, with the intent to capture the state's improvement activities in one, multi-layered workbook.

The goal is for NJDOL to meet each ALP across all program measures; part of the SQSP process and analysis involves setting a CAP Based on Performance,[?] setting a level for Target Performance,[?] and ultimately reporting back on the agency's Actual Performance.[?]

A Corrective Action Plan (or CAP) must be submitted if the agency does not meet an ALP for any of the core measures during the report's performance year, if there was any failure in properly administering BAM or Benefit Payment Control (or BPC) activities resulting in an overpayment detection rate above 95%, or if one or more management information measures were so conspicuously poor that it they call the state's compliance with federal law requirements into question. The CAP must include reasons for the deficiency; a description of the specific actions or activities planned to improve performance; an explanation of why a previous plan was unsuccessful, if applicable; a plan for monitoring and assessing accomplishments of planned activities for each CAP; and remaining actions to be completed after the current CAP timeframe.

The quarterly figures provided in each chart from the SQSP Workbook, which provides the Corrective Action Plan and Progress Report for key performance measures under each UI program area, are based on the 3-month quarterly average from the months that comprise each specific quarter. This is different from the figures we provide in the same Workbook to USDOL for our mandated federal reporting, which are based on a 12-month moving average from the months that comprise the full year leading up to that specific quarter. For the sake of this report, we provide the former, 3-month quarterly average figures in each chart because they provide a more accurate and recent snapshot of quarterly performance in these key measures. All figures are based on data from USDOL's Employment and Training Administration Unemployment Insurance Data dashboard.[?]

NEW JERSEY
MEASURES/PROGRAMS TO BE ADDRESSED FOR ALTERNATE SQSP FISCAL YEAR (FY) 2024

Measures/Programs to be Addressed (Each Measure Below is Hyperlinked to the CAP Worksheet)	Acceptable Level of Performance (ALP)	Corrective Action Plan (CAP) N	Corrective Action Plan (CAP) E	Narrative Required (In Word Doc.)	SQSP 2024 Performance Year Data
BENEFITS					
First Payment Promptness	≥ 87%		X		54.91%
First Payment Promptness (IntraState 14/21 Days)	≥ 87%		X		55.42%
First Payment Promptness (InterState 14/21 Days)	≥ 70%		X		47.09%
First Payment Promptness (IntraState 35 Days)	≥ 93%		X		67.72%
First Payment Promptness (InterState 35 Days)	≥ 78%		X		61.63%
Nonmonetary Determination Timeliness	≥ 80%		X		45.06%
Nonmonetary Determination Quality - Separations	≥ 75%		X		47.78%
Nonmonetary Determination Quality - Nonseps	≥ 75%		X		64.17%
APPEALS					
Lower Authority Appeals (30 Days)	≥ 60%		X		37.21%
Lower Authority Appeals (45 Days)	≥ 80%		X		56.33%
Average Age of Pending Lower Authority Appeals	≤ 30 days		X		206.5
Average Age of Pending Higher Authority Appeals	≤ 40 days		X		219.9
Lower Authority Appeals Quality	≥ 80%				93.67%
TAX					
New Employer Status Determinations Timelapse	≥ 70%				94.40%
Tax Quality (Part A)	No more than 3 tax functions failing TPS in a year		X		Fail: SD - Cashiering Debits-Reimb. Credits/Refunds Tax Rates
Tax Quality (Part B)	The same tax function cannot fail for 3 consecutive years		X		Fail: Debits - Reimb. Credits/Refunds
TPS Sample Reviews	Pass		X		Fail: Cashiering Debits-Reimb. Credits/Refunds Tax Rates
Effective Audit Measure	Pass 4 factors/ score ≥ 7		X		Fail: Factor 1: 0.8% Factor 3: 0.3%
INTEGRITY					
Improper Payments Measure	< 10%		X		20.55%
Detection of Overpayments - 3 Year Measure	≥ 50% & ≤ 95%	X			125.09%
Overpayment Recovery Measure	≥ 68%		X		59.51%
Data Validation - Benefits (All Submitted & Passing)	All Benefit Pops Submitted & Passing		X		Fail: Benefits 3
Data Validation - Tax (All Submitted & Passing)	All Tax Pops Submitted & Passing				Pass
BAM					
NDNH BAM Compliance	Pass				Pass
BAM Operations Compliant	Pass All M&P	X			Fail: Paid 90 day timeliness = 93.58% Denial Monetary Comparison Report = -15.25%
Incorrect Recording of Issue Detection Date	95%			X	Fail
Incorrect Recording of Determination Date	95%				100%
UI Reporting Requirements	Pass			X	Fail
GPRA					
Percent of Intrastate Payments Made Timely	87%				55.42%
Detection of Recoverable Overpayments	57.5%				190.63%
Percent of Employer Tax Liability Determinations Made Timely	90%				93.38%

Integrity Action Plan (IAP) Top Three Root Causes - Payment Integrity Information Act (PIIA) Year Data

1. Benefit Year Ending; Percent of Dollars OP 24.38%

2. Base Period Wages Iss.; Percent of Dollars OP 18.531%

3. Separation Issues; Percent of Dollars OP 18.115%

Monitoring Findings/Audit Resolution

Nonmon Determination Quality - Non Separation	**Performance met-waiver criteria met. CAP Closed.**	YE 09/30/2023: 76.6% most recent performance*
Overpayment Recovery Measure	**Performance met-waiver criteria met. CAP Closed.**	YE 09/30/2023: 82.71%; YE 12/31/2023: 97.55%
BAM-90 Day Paid Timeliness	**Performance met-waiver criteria met. CAP Closed.**	Batch 202227-202326: 96.55% *most recent performance available Batch 202240-202339: 99.39% *most recent performance available

1. First Payment Promptness

REASON FOR DEFICIENCY

New Jersey has continued to struggle to meet first payment time-lapse standards since the onset of the COVID-19 pandemic. Record high volumes of workload were difficult to manage at first which substantially impacted our ability to meet first payment timeliness. New Jersey has made significant progress in working through these backlogs and expects to see improvement in overall first payment time lapse scores.

Our largest backlog existed in claims that needed manual adjustment because our mainframe system is unable to process them using existing automated conversations. New Jersey has a specialized unit (called the Adjustment Unit) where claims that need to be processed manually are sent to be handled by a claim specialist. The cases assigned to this unit is now manageable. First payment timeliness is a high priority, and those claims were prioritized to bring the unit current.

Another issue impacting timely first payments is the need for identity verification on all new claims. As a result of the pandemic benefit programs, fraudulent claims filing has been an issue all states have struggled with, and New Jersey is no exception. After a new initial claim is filed, all claimants are referred to our identity verification partner ID.me to proof themselves. Upon claim entry, holds are put on the claim until the identity verification is completed, so payments cannot be issued until we verify the claimant's identity. A larger than expected percentage of claimants either do not read our instructions about the identity verification process or struggle with the process itself, but the need to verify claimant's identities is having an impact on our ability to process timely first payments.

CORRECTIVE ACTION PLAN

To address first payment timeliness, we are continuously looking at all workload items to determinehow best to improve our scores. Most of the high workload items from the pandemic are more manageable and we expect to see improvements in our scores as we become caught up with the pandemic related backlogs. As mentioned above, Adjustment Unit work was our biggest backlog area. The unit's work is now manageable. New Jersey has added additional staff to the unit, but due to the complexity of the work involved in addressing these claims, there is a steep learning curve for staff to learn this process. We have implemented a new process for how work is reported to that unit to better organize and track the workload. Having this new tracking system in place will eliminate duplicate referrals and will help supervision in the unit identify the different types of issues and refer the less complex cases to newer staff. This will allow the more complex work to go to experienced staff while the new hires continue with their training and development.

The identification verification process is something that New Jersey has also been looking more closely at to detect issues and better communicate to claimants the need to verify their identity once the claim is filed and how to go through the process. We updated the messaging to claimants on the identification verification process to improve the communication to claimants to assist with completing the verification.

First Pay Promptness – Federal Fiscal Year: 2024 Corrective Action Plan & Progress Report[?]

		State: New Jersey			Federal Fiscal Year 2024			
Performance Measures	**ALP**	**CAP Based on 04/01/2021 - 03/31/2022 Performance**	**CAP Based on 04/01/2022 - 03/31/2023 Performance**	**State's Target/Actual Performance**	**12/31/2023 Quarter 1**	**3/31/2024 Quarter 2**	**6/30/2024 Quarter 3**	**9/30/2024 Quarter 4**
First Payment Promptness: of all 1st payments within 14/21 days after the compensable week.[?]	≥ 87%	57.07%	54.91%	Target	75.0%	80.0%	87.0%	87.0%
				Actual	**75.7%**	**72.8%**	**75.4%**	**73.1%**
First Payment Promptness, 14/21 days Intrastate UI full weeks	≥ 87%	57.42%	55.42%	Target	75.0%	80.0%	87.0%	87.0%
				Actual	**69.4%**	**71.3%**	**72.8%**	**74.8%**
First Payment Promptness, 14/21 days Interstate UI full weeks	≥ 70%	33.27%	47.09%	Target	65.0%	70.0%	70.0%	70.0%
				Actual	**59.5%**	**61.4%**	**63.8%**	**66.1%**
First Payment Promptness, 35 days Intrastate UI full weeks	≥ 93%	66.89%	67.72%	Target	85.0%	90.0%	93.0%	93.0%
				Actual	**82.0%**	**84.1%**	**85.8%**	**87.9%**
First Payment Promptness, 35 days Interstate UI full weeks	≥ 78%	47.63%	61.63%	Target	65.0%	70.0%	78.0%	78.0%
				Actual	**76.4%**	**78.6%**	**80.8.1%**	**83.7%**

[?] The first row, "First Payment Promptness: of all 1st payments within 14/21 days after the compensable week," is a composite of the figures from the subsequent four rows that follow and is based on the 3-month quarterly average from the months that comprise these specific quarters. The four rows that follow have figures based on figures we provide in the same Workbook to USDOL for our mandated federal reporting, which are based on a 12-month moving average from the months that comprise the full year leading up to that specific quarter.

[?] The quarterly figures provided in this table are based on the 3-month quarterly average from the months that comprise these specific quarters. The 3-month quarterly average for each quarter provides a more accurate and recent snapshot of quarterly performance in these key measures. All figures are based on data from USDOL's Employment and Training Administration Unemployment Insurance Data dashboard, which can be found here: **https://oui.doleta.gov/unemploy/DataDashboard.asp.**

2. Nonmonetary Determination Timeliness

REASON FOR DEFICIENCY

New Jersey's nonmonetary determination timeliness has been below the Acceptable Level of Performance (ALP) since the onset of the COVID-19 pandemic, primarily due to the high volume of claims filed as a result of the pandemic. At the peak of the pandemic, New Jersey had over 220,000 cases that required adjudication, more than double our annual workload amount. We also have had an increase in the number of labor dispute cases in New Jersey. We have worked on these cases to reduce the overall backlog and as of September 2024 the backlogs are more manageable than they have been at any point since the pandemic first began. We currently have 9,702 open submitted cases with 15% of the open adjudication cases assigned to examiners that are over 21 days. The number of cases has increased since last year.

CORRECTIVE ACTION PLAN

To address the high volume of adjudication cases New Jersey continues to receive, we are in the process of hiring 30 new claims examiners. The new examiners are being hired in small groups to allow time for each group to go through the comprehensive Quality and Efficiency for Claims Adjudication (QECA) training classes and have sufficient training from the onset of their hiring. Due to the complex nature of claims examining and the required knowledge of various laws, rules, and regulations of New Jersey unemployment compensation, hiring in groups allows for better training classes and more individualized support to supplement the training offered. As these new hires continue to gain experience and knowledge, we expect to see an increase in production which will lead to timelier closing of adjudication cases. In the last year we lost a number of examiner due to departmental promotions.

In addition to hiring new staff, as New Jersey progressed in working through the backlog of cases, we stratified the workload between newly identified issues and older backlogged cases. Balancing the adjudication of new issues (and entering timely determinations) with working through older cases and providing service to claimants that may have been waiting longer than newly filed claims is a delicate balance. As the overall backlog of open cases continues to fluctuate, we have assigned more examining staff to newer cases to close them out, while also assigning some staff to work on older cases in an effort to meet the non-monetary time lapse.

Nonmonetary Determination Timeliness –
Federal Fiscal Year: 2024 Corrective Action Plan & Progress Report

Performance Measures	ALP	CAP Based on 04/01/2021 - 03/31/2022 Performance	CAP Based on 04/01/2022 - 03/31/2023 Performance	State's Target/ Actual Performance	12/31/2023 Quarter 1	3/31/2024 Quarter 2	6/30/2024 Quarter 3	9/30/2024 Quarter 4
State: New Jersey				**Federal Fiscal Year 2024**				
Nonmonetary Determination Timeliness[?]	≥ 80%	33.04%	45.06%	Target	80.0%	80.0%	80.0%	80.0%
				Actual	78.7%	61.5%	64.9%	58.2%

[?] The quarterly figures provided in this row are based on the 3-month quarterly average from the months that comprise these specific quarters. The 3-month quarterly average for each quarter provides a more accurate and recent snapshot of quarterly performance in these key measures. All figures are based on data from USDOL's Employment and Training Administration Unemployment Insurance Data dashboard, which can be found here: **https://oui.doleta.gov/unemploy/DataDashboard.asp.**

3. Nonmonetary Determination Quality: Separations and Non-Separations

REASON FOR DEFICIENCY

New Jersey's nonmonetary determination quality scores are below the Acceptable Level of Performance (ALP) for separations but have improved. With the excessively high workloads, the focus has been on increased production to bring the backlog to a manageable number. As a result, refresher training, supervisory reviews and other projects related to quality have resumed.

New Jersey also hired over 100 new claims examiners during this period to increase the overall number of staff working in adjudication. These new staff members were given the full QECA training, but as is the case with new hires, there is a learning curve for adjudication. Our recently hired examiners are completely trained and because of the learning curve for our new hires, this contributed to quality scores this period, although there is a slight increase in our scores.

CORRECTIVE ACTION PLAN

We have now resumed refresher training for existing examiners and supervisors. New Jersey has made significant progress on the adjudication backlogs. We have started the mini BTQ process. This allows for timelier feedback to examiners; supervisors will review a case and then meet with the examiner to go over the case and provide any feedback, positive or negative.

For non-monetary time-lapse, we are continuing to work with the Office of Research and Information (ORI) to obtain the non-monetary time-lapse reports in a timelier fashion. Currently the reports are received in the following month from what is being reported, with all the late determinations reported in mass. Efforts are underway to receive this report either weekly or bi-weekly, so management staff has the late determinations right after they are entered in a more manageable amount to allow for meaningful review. This will allow for late determinations to be reviewed shortly after they are entered, which allows for an opportunity for better feedback from staff on the reason why the determination was entered late. By doing this sooner instead of a month-plus later, staff will have greater recall and familiarity with the case and will be able to provide more accurate feedback on why the determination was late. Conducting reviews of late determinations shortly after entry will also serve to increase the awareness of entering these timely and allow for corrective action take place within the month instead of reacting to the late entry a month later.

Nonmonetary Determination Quality – Federal Fiscal Year: 2024 Corrective Action Plan & Progress Report[?]

State: New Jersey					Federal Fiscal Year 2024			
Performance Measures	**ALP**	**CAP Based on 04/01/2021 - 03/31/2022 Performance**	**CAP Based on 04/01/2022 - 03/31/2023 Performance**	**State's Target/ Actual Performance**	**12/31/2023 Quarter 1**	**3/31/2024 Quarter 2**	**6/30/2024 Quarter 3**	**9/30/202 Quarter 4**
Nonmonetary Determination Quality - Separations	≥ 75%	44.70%	47.78%	Target	65.0%	68.0%	75.0%	75.0%
				Actual	**68.9%**	**61.7%**	**65.3%**	**72.3%**

[?] The quarterly figures provided in these rows are based on the 3-month quarterly average from the months that comprise these specific quarters. The 3-month quarterly average for each quarter provides a more accurate and recent snapshot of quarterly performance in these key measures. All figures are based on data from USDOL's Employment and Training Administration Unemployment Insurance Data dashboard, which can be found here: **https://oui.doleta.gov/unemploy/DataDashboard.asp.**

4. Lower Authority Appeals: Appeal Tribunal

REASON FOR DEFICIENCY

New Jersey's Lower Authority (Appeal Tribunal) has struggled to meet the established ALP for decisions within a 30-day time-lapse. This is due to a continued increased caseload since the Pandemic as we navigate the ongoing impacts of the pandemic. Although the NJ LAA has made strides in reducing our backlog, the Appeal Tribunal (AT) must follow a stringent quasi-judicial process. The combination of an inflated inventory, recruitment challenges, and a significant number of our new hires still undergoing extensive training continues to impede our ability to meet these standards.

CORRECTIVE ACTION PLAN

The NJ LAAT is dedicated to continuous improvement as we assess our processes and implement necessary changes. We are actively reorganizing and recruiting at all levels to enhance support across the board. Additionally, we are adjusting our workflow and training methods to improve efficiency and consistency. We have observed gradual progress and anticipate this trend will continue as we concentrate on enhancing processes, developing our staff, increasing access to vital resources, and fostering effective communication.

Our established procedures and plans have demonstrated success in achieving performance metrics. Therefore, we will persist in our strategy of combining previous plans with updated refinements to restore our performance to the established standards. Moreover, the integration of training enhancements will further improve workflow and effectiveness. All staff members will actively participate in process planning that promotes collaboration with upper management, supervisors, and the committed team responsible for executing the work.

Additionally, the AT will create and implement an internal quality assurance workflow, maintain an engaging and hands-on relationship with supervisors, and further enhance training initiatives.

Lower Authority Appeals Promptness – Federal Fiscal Year: 2023-2024 Corrective Action Plan & Progress Report[?]

Performance Measures	ALP	CAP Based on 04/01/2021 - 03/31/2022 Performance	CAP Based on 04/01/2022 - 03/31/2023 Performance	State's Target/ Actual Performance	12/31/2023 Quarter 1	3/31/2024 Quarter 2	6/30/2024 Quarter 3	9/30/2024 Quarter 4
State: New Jersey				**Federal Fiscal Year 2024**				
Average Age of Pending Lower Authority Appeals	≤ 30 days	105.50	206.50	Target	120.0	90.0	67.0	50.0
				Actual	**187.3**	**190.2**	**169.8**	**169.3**
Lower Authority Appeals Time Lapse - 30 days	≥ 60%	37.51%	37.21%	Target	28.0%	35.0%	44.0%	55.0%
				Actual	**19.0%**	**15.3%**	**14.5%**	**12.7%**
Lower Authority Appeals Time Lapse - 45 days	≥ 80%	54.74%	56.33%	Target	33.0%	42.0%	53.0%	66.0%
				Actual	**24.9%**	**18.1%**	**17.1%**	**15.1%**

[?] The quarterly figures provided in these rows are based on the 3-month quarterly average from the months that comprise these specific quarters. The 3-month quarterly average for each quarter provides a more accurate and recent snapshot of quarterly performance in these key measures. All figures are based on data from USDOL's Employment and Training Administration Unemployment Insurance Data dashboard, which can be found here: **https://oui.doleta.gov/unemploy/DataDashboard.asp.**

5. Higher Authority Appeals: Board of Review

REASON FOR DEFICIENCY

Following the COVID-19 pandemic, the Board of Review could not review appeals until July of 2020 due to the Division's adherence to the guidance provided by the Center for Disease Control (CDC), which resulted in the lack of a quorum at the Board. Thereafter, a remote work program was implemented which allowed the Board to begin reviewing appeals again. Following the initial inability to review appeals, the Board over time, developed a very large backlog due to a massive increase of appeals to the lower authority Appeal Tribunal, which in turn led to appeals to the higher authority Board of Review. Reduction of the developing backlog was greatly slowed because of decisions issued by the individual Appeal Tribunals, which were routinely very complex and flawed due to the Division's intermingling of the Unemployment Insurance and Pandemic Unemployment Assistance (PUA) programs. Exacerbating this issue was the loss of Board of Review staff without timely replacement.

CORRECTIVE ACTION PLAN

- Backfilling a professional level appellate specialist position, along with hiring three entry level professional trainees, and one clerical level position, to improve the workflow and increase the disposition of Board appeals.
- Utilize the newly appointed Executive Secretary to monitor and improve workflow to ensure greater efficiency and higher production.
- Refine and improve the Board's case management system using the unit's dedicated specialist.
- Proactively advise executive management of the unit's expected needs based on loss of personnel due to promotion or retirement.
- Following increased staffing, provide closer monitoring of the decisions issued by the individual Appeal Tribunals to ensure consistent outcomes based on compliance with the current applicable statutes and regulations.
- Provide guidance to the Division to adjust future issued determinations when published New Jersey Superior and Supreme Court decisions interpret statutes and regulations differently than the Division's interpretation.

Higher Authority Appeals Promptness – Federal Fiscal Year: 2023-2024 Corrective Action Plan & Progress Report

	State: New Jersey				Federal Fiscal Year 2024			
Performance Measures	ALP	CAP Based on 04/01/2021 - 03/31/2022 Performance	CAP Based on 04/01/2022 - 03/31/2023 Performance	State's Target/ Actual Performance	12/31/2023 Quarter 1	3/31/2024 Quarter 2	6/30/2024 Quarter 3	9/30/2024 Quarter 4
Average Age of Pending Higher Authority Appeals[?]	≤ 40 days	150.30	219.90	Target	240.0	200.0	160.0	120.0
				Actual	**268.7**	**229.1**	**207.1**	**191.2**

[?] The quarterly figures provided in this row are based on the 3-month quarterly average from the months that comprise these specific quarters. The 3-month quarterly average for each quarter provides a more accurate and recent snapshot of quarterly performance in these key measures. All figures are based on data from USDOL's Employment and Training Administration Unemployment Insurance Data dashboard, which can be found here: **https://oui.doleta.gov/unemploy/DataDashboard.asp.**

6. Tax Quality Part A & B: Status Successor, Cashiering, Debits/Billing Reimbursing, Credits/Refunds & Employer Tax Rates

REASON FOR DEFICIENCY

The Status Successor failure was due to a faulty sampling. The sample sized was 56 but the sample required a total of 60. By not utilizing the full complement of the sample, the missing samples were deemed failures.

The review of the Credits/Refunds sample failed as employers are not notified that they have a credit balance on their account, nor do they receive a prompt refund on the credit. It was determined that the refund/credit notices were not being sent to employer's whose credits were under $100.00.

The Department has missed its benchmarks for FY 2023 in several categories including Cashiering, Debits – Contributory, Cashiering, Debits – Reimbursable, Credit/Refund and Benefit charges.

The Report Delinquency universe was not identified timely. The sample included cases that had delinquencies other than quarter one, 2023.

CORRECTIVE ACTION PLAN

A service request has been submitted to the Department's IT office to identify all credits generated during a quarter. A "Credit Notice" will then be sent to employers on a quarterly basis outlining the quarter and the amount of the credit balance. Employers will also receive instructions regarding the use of the credit balance, either to seek a refund or apply it to future tax obligations. DIT has confirmed that they have completed their analysis of the service request requirements and have completed the initial programming component.

The Department will pull a sample next year for Cashiering Debits – Reimbursable and conduct the required analysis.

As for Debits – Reimbursable, the Department has re-started sending out reimbursable billings so a correct universe sample should be able to be pulled for during the March 31, 2025, sampling date.

The Credit/Refund notices have started going out to all employers who have credits on their account. The Department has also implemented a new system where each employer can access their accounts to check for any debts or credits.

The Report Delinquency will be sampled in the first quarter 2025. Corrections were made and the universe has been identified timely.

7. Effective Audit Measure (EAM) – Factor #3 Total Wages Audited

REASON FOR DEFICIENCY

The Department failed the total wage audit metric due to lack of staff. The Department continues to struggle with the hiring of new auditor trainees. Also, some staff were promoted to supervisory positions and there continues to be a high turnover rate with the new auditors that were hired.

CORRECTIVE ACTION PLAN

The Department has been hiring new auditors to replace the auditors that have left/resigned and the auditors that were promoted to management. The managers are offering training to the new hires and inexperienced auditors. The Department is also conducting training seminars in Trenton to help the new staff and inexperienced auditors. Management will also monitor all of the auditors on a monthly basis by looking at their reports and statistics to make sure that they are making their audit assignment counts. This plan should allow the Department to correct the issues that have previously caused failures for Factor #3.

8. TPS Sample Reviews: Debits/Billing - Reimbursing

REASON FOR DEFICIENCY

Collections failed the TPS sample for several reasons:

- Not following up on employers with multiple accounts with payments/reports on each causing unpaid liability due.
- No work order issued by status employee from an auditor's report causing improper notice of a Certificate of Debt.
- Not updating older bankruptcy cases.

CORRECTIVE ACTION PLAN

The staff needs to be monitored on a random basis and given additional training to correct the deficiencies for their cases when referring to another unit.

Tax Quality (2.1.6.) and TPS Sample Reviews (2.1.8.) – Federal Fiscal Year: 2023-2024 Corrective Action Plan & Progress Report<?>

TAX QUALITY								
State: New Jersey					**Federal Fiscal Year 2024**			
Performance Measures	**ALP**	**CAP Based on 01/01/2021 - 12/31/2021 Performance**	**CAP Based on 01/01/2022 - 12/31/2022 Performance**	**State's Target/Actual Performance**	**12/31/2023 Quarter 1**	**3/31/2024 Quarter 2**	**6/30/2024 Quarter 3**	**9/30/2024 Quarter 4**
Tax Quality (Part A)	**No more than 3 tax functions failing TPS in a year**	Status Successor	Status Successor	Target	Pass	Pass	Pass	Pass
				Actual		**Fail**		
		Cashiering	Cashiering	Target	Pass	Pass	Pass	Pass
				Actual		**Pass**		
		Debits/Billing - Reimbursing	Debits/Billing - Reimbursing	Target	Pass	Pass	Pass	Pass
				Actual		**Fail**		
		Credit/Refunds	Credit/Refunds	Target	Pass	Pass	Pass	Pass
				Actual		**Fail**		
		Employer Tax Rates	Employer Tax Rates	Target	Pass	Pass	Pass	Pass
				Actual		**Pass**		
Tax Quality (Part B)	**The same tax function cannot fail for 3 consecutive years**	Credit/Refunds	Credit/Refunds	Target	Pass	Pass	Pass	Pass
				Actual		**Fail**		
		Debits/Billing - Reimbursing	Debits/Billing - Reimbursing	Target	Pass	Pass	Pass	Pass
				Actual		**Fail**		
TPS Sample Reviews	**Pass**	Cashiering	Cashiering	Target	Pass	Pass	Pass	Pass
				Actual		**Pass**		
		Debits/Billing - Reimbursing	Debits/Billing - Reimbursing	Target	Pass	Pass	Pass	Pass
				Actual		**Fail**		
		Credits/ Refunds	Credits/ Refunds	Target	Pass	Pass	Pass	Pass
				Actual		Fail		
		Employer Tax Rates	Employer Tax Rates	Target	Pass	Pass	Pass	Pass
				Actual		Pass		

<?> We only provide updates for Quarter 2 (3/31/2024) because the Pass/Fail determination in these performance measures is based on a one-time annual sample from NJDOL's Employer Accounts team. This sample was only conducted during Quarter 2.

9. Improper Payments Measure

REASON FOR DEFICIENCY

New Jersey's Improper Payment Measure of 21.735% for the Unemployment Insurance (UI) program is derived from the Benefit Accuracy Measurement (BAM) program for the 12-month period ending March 31, 2024. The three primary reasons contributing to the improper payment rate are: (1) Eligibility issues excluding Work Search; (2) Benefit Year Earnings issues and (3) Base Period Wage issues.

LWD consistently monitors first payment and non-monetary time-lapse reports and works with staff to stress the importance of meeting USDOL timeliness standards. In addition to what was previously reported on the initial response to these findings, LWD is modifying some procedures to add additional checkpoints to review claims to ensure first payments and non-monetary determinations are entered within the USDOL standard of 21 days.

One issue contributing to late first payments is the identity verification process now required on all initial claims. As previously described, all claimants must verify their identity with our verification partner ID.me before any payment can be issued on their claim. While the majority of claimants complete this process shortly after their claim is filed, there are claimants that either do not know this is required or are unable to verify for various reasons. We have continually worked with ID.me to improve the educational content available to claimants in plain language on how to verify their identity and have added various methods to complete the process. Claimants can go online using the automated process by uploading the required documents to verify themselves. They can speak with a "Trusted Referee" at ID.me to have an agent verify them over a video call or they have an option to report in person to sites state-wide where they can complete the process in person if they do not have their own internet access. In addition to increasing access, LWD is in the process of implementing a procedure where any claimant or applicant that has not verified their identity 10 days after the received their initial notification (which happens when the claim is entered into our system) will now receive a follow-up determination advising them of the need to complete identity verification before any claim activity (payments, etc.) can be processed. Adding this notification at the 10-day point after claim entry serves as a reminder to the claimant and still gives them time to complete the verification and then claim their benefits timely.

Base period wage issues are something New Jersey traditionally struggles with, which is a direct correlation to our use of Base Weeks when calculating monetary determinations. Many employers, especially those with workers in multiple states, remain confused on how to properly report wages and weeks during their base periods.

IMPROPER PAYMENT RATE
7/1/22 – 6/30/23
OVERPAYMENT RATE PLUS UNDERPAYMENT RATE
OVERPAYMENT RATE = 20.56%
UNDERPAYMENT RATE = 1.28%
TOTAL = 21.84%

Cause for Overpayment

NJ					
NJ	Work Search	8.865%	43.614%	$226,620,026	NJ
	Separation Issues	3.661%	18.010%	$93,580,656	NJ
	Base Period Wage Iss.	2.773%	13.641%	$70,876,242	NJ
	Able + Available	2.322%	11.425%	$59,363,248	NJ
	Benefit Year Earnings	2.093%	10.298%	$53,510,143	NJ
	Other Eligibility	0.538%	2.646%	$13,748,388	NJ
	Sev./Vac./SSI/Pension	0.074%	0.366%	$1,900,398	NJ
	Dependents Allowance	0.000%	0.000%	$0	NJ
	ES Registration	0.000%	0.000%	$0	NJ
	Other Issues	0.000%	0.000%	$0	NJ
Total		20.326%	100.000%	$519,599,101	NJ
Amount Paid				$2,556,349,497	NJ
Sample				484	NJ

Overpayment Responsibility

NJ					
NJ	Claimant Only	15.894%	78.196%	$406,303,488	NJ
	Employer Only	1.879%	9.245%	$48,038,032	NJ
	Agency Only	0.988%	4.863%	$25,269,068	NJ
	Claimant + Employer	0.931%	4.581%	$23,801,655	NJ
	Employer + Agency	0.378%	1.860%	$9,664,967	NJ
	Claimant + Agency	0.255%	1.255%	$6,521,891	NJ
	Claimant + Employer + Agency	0.000%	0.000%	$0	NJ
	All Others	0.000%	0.000%	$0	NJ
Total		20.326%	100.000%	$519,599,101	NJ
Amount Paid				$2,556,349,497	NJ
Sample				484	NJ

CORRECTIVE ACTION PLAN

We updated our website to include clearer instruction for claimants on how to respond to the weekly certification questions depending on their circumstances at the time they certify. A part of our Claimant Experience enhancements, we updated our initial claims application and many of the forms/emails that are sent to claimants to clean up the presentation and make them more readable. The forms now consist of more plain language and provide a better explanation of what the application questions mean when filing a claim, to clearly explain what is required from claimants to get accurate information from them when filing and filling out our forms/questionnaires. We have also implemented a glossary to our web page to assist claimants with understanding the UI terminology.

Continuing development of the UI Modernization project has the overall goal of greater communication to claimants with clear instruction of the claims process, from filing to claiming weekly benefits. Greater education of claimants and employers of what is expected from them when filing and collecting benefits will result in a better understanding of how to report earnings and overall, what is expected from them while claiming, reducing the overall number of improper payments issued.

Improper Payments Measure – Federal Fiscal Year: 2024 Corrective Action Plan & Progress Report

Performance Measures	ALP	CAP Based on PIIA Year 2021 BAM Batches 202027 - 202126	CAP Based on PIIA Year 2022 BAM Batches 202127 - 202226	State's Target/ Actual Performance	12/31/2023 Quarter 1	3/31/2024 Quarter 2	6/30/2024 Quarter 3	9/30/2024 Quarter 4
State: New Jersey				Federal Fiscal Year 2024				
Improper Payments Measure	< 10%	15.68%	20.55%	Target	12.60%	11.60%	10.60%	10.00%
				Actual	21.82%	20.55%	21.79%	N/A

10. Detection of Benefit Overpayments

REASON FOR DEFICIENCY

New Jersey's Detection of Benefit Overpayment rate is 117.73% for the reporting period, outside of the >50% <95% ALP required for this measure. New Jersey overpayment detection rate is inflated due to the antiquated mainframe legacy system that serves as the system of record for claims processing. Any and all weeks of overpayment involving state or federal extensions are adjusted manually when establishing the overpayment, resulting in an inflated overpayment detection rate. All weeks involved on the claim are made to look like a normal UI week to allow for accurate employer charging, however those weeks inflate the overpayment amount for reporting purposes. All weeks are eventually charged to the appropriate program they were paid under; however, this manual process interferes with accurate reporting functionality. Once the claim is adjusted and work is completed, the overpayment determination issued accurately reflects the overpayment created.

New Jersey has openly and frequently discussed this known issue with USDOL and Tiger Team representatives. All parties agree that without significant programming changes to the existing mainframe or completion of the modernization project currently ongoing, the inflated reporting of this measure with continue.

CORRECTIVE ACTION PLAN

The primary reason for this deficiency lies with New Jersey's outdated legacy mainframe system. New Jersey is in the early to middle stages of a UI Modernization project, with the ultimate goal being replacing the mainframe as the system of record with a more modernized system that can more accurately report these numbers. While there is currently no firm data set for the mainframe replacement, we will continue working in an iterative fashion to incrementally release new improvements for our claimants, while working on our longer-term goal of fully replacing the legacy system in the background.

In the interim, New Jersey will continue with implementing strong anti-fraud methods and work towards having these numbers meet or exceed the ALP. Plans to hire additional staff in BPC (Benefit Payment Control) are ongoing to continue to combat the elevated rate of fraud occurring in UI since the pandemic. Increase staff levels in BPC will allow New Jersey to target large dollar overpayments, which will create a larger potential for recovery through TOP, SOIL, and traditional recovery methods. New Jersey has applied for and received initial approval for integrity grant funding of $2.069M and plans to use this funding in support of hiring integrity related staff.

New Jersey's layered approach to fraud prevention consists of many initiatives, none more important than our data analytic/link analysis tool, SPLUNK. Continuing efforts to evolve the accuracy of the SPLUNK results will lead to more prevention, detection, and ultimately recoverable benefit overpayments.

Overpayments Recovery – Federal Fiscal Year: 2024 Corrective Action Plan & Progress Report

DETECTION OF OVERPAYMENTS							
Federal Fiscal Year: 2024 SQSP Corrective Action Plan & Progress Report							
State: New Jersey				**Federal Fiscal Year 2023**			
Performance Measures	**ALP**	**CAP Based on 04/01/2022 - 03/31/2023 Performance**	**State's Target/ Actual Performance**	**12/31/2023 Quarter 1**	**3/31/2024 Quarter 2**	**6/30/2024 Quarter 3**	**9/30/2024 Quarter 4**
Detection of Overpayments - Core Measure - ≥50% & ≤95% of Detectable/Recoverable Ops are Established for Recovery	≥ 50% & ≤ 95%	125.09%	Target	95.00%	90.00%	90.00%	90.00%
			Actual	**92.94%**	**131.57%**	**130.18%**	**110.87%**

11. Data Validation Benefits: Tax Populations 1, 2, 3, 4, 5 and Module 3

REASON FOR DEFICIENCY

The Data Validation for audit period April 1, 2023, to March 31, 2024, was not submitted due to a computer failure.

CORRECTIVE ACTION PLAN

A new computer was put into use shortly after the computer malfunction but too late to file the required reports. The Department will continue to monitor the Data Validation Tax requirements to confirm its compliance going forward.

12. BAM: Monetary Comparison Reports

REASON FOR DEFICIENCY

New Jersey continues to have difficulties in meeting the population variance for the Denied Claim Accuracy (DCA) Monetary population. The statistical variance issue has been a continuing obstacle and is affected by two operational factors:

1. A two-week delay in monetary denial sampling required by the BAM program.
2. New Jersey's "Alternate Base Year" (ABY) periods to determine monetary eligibility for benefits.

Monetarily invalid claims entered during the two weeks of the calendar quarter are not included in the BAM sample until the next quarter, but are included in the ETA-218 report, thereby creating a discrepancy in the reporting methods.

New Jersey's Alternate Base Year (ABY) procedures require the issuance of requests to employers for current wage data, resulting in further delays in determining monetary eligibility. Until the employer responds to the request, the division is unable to determine the claimant's monetary eligibility. These claims are not included in the BAM monetary denied sample but are reported as monetarily denied on the ETA-218 report. There have also been monetary denial claims issues that affect the timeliness such as self-employment, fraud claims, unreported gig economy wages, and jurisdiction of coverage issues that were filed and take additional time to adjudicate from invalid status.

CORRECTIVE ACTION PLAN

Without a legislative change in the Unemployment Insurance monetary calculation from "weeks and wages" to a different monetary calculation formula, this variance issue will not lessen but work search coding will be monitored more closely.

13. Incorrect Recording of Issue Detection Date & Reporting Requirements

The detection date and determination date data are considered accurate if dates were correct in at least 95% of the nonmonetary determinations evaluated in the quarterly quality samples. New Jersey continues to strive to meet the metric for properly recording of the issue detection date.

Examiners continue to carelessly enter the incorrect date, because of this we are increasing our training sessions to focus on this area and remind the examiners the importance of correctly recording this date.

Correctly identifying the Issue Detection Date is a topic that will be reviewed and reinforced with examiners to get to an appropriate level of understanding of this topic and to reminding examiners the importance of correctly recording this date.

14. Assurances

14.1. Assurances H: Assurances of Contingency Planning

The Unemployment Insurance IT Contingency Plan was successfully completed using an SBR grant. This plan has been tested and improved as we perform actual Disaster Recovery Exercises. A full mainframe Local Office On-Line Payment System (LOOPS) Disaster Recovery Exercise (DRE) was performed. July 29-31,2024 and previously DRE's were completed in October 2022 & June 2017.

- Hot Site was established for filing UI claims online in the event of a disruption of normal services. This Hot Site has been tested and verified.
- IBM Data Center was established in Triangle Park, North Carolina. IBM Recovery Center was established in Sterling Forest, New York.
- NJ Department LWD Emergency Management Chief worked with the OIT Facilities' DR Unit to bring Contingency and Continuity of Operation plans up to date for the entire Department of Labor and Workforce Development. A completed DOL Continuity of Operation Plan (COOP) was updated in July 2024.
- LOOPS Disaster Recovery Exercises are planned for every other year.
- WAN Network Diagrams, Core Network Diagrams, Workflow Diagrams, Organization charts for participates and Interface Documents were reviewed and updated in 2024.
- An Updated LOOPS Business Impact Analysis (BIA) was completed and signed January 8, 2024, and approved by OIT DR on January 11, 2024.
- An approved 2024 LOOPS Disaster Recovery Plan was completed on June 26, 2024.
- A LOOPS Disaster Recovery Exercise Guide has been developed for the 2024 Exercise scheduled for the week of July 29, 2024.
- A 2024 DOL LOOPS Project Plan has been developed for this exercise and finalized on April 5, 2024. The Project Plan was updated during the exercise with actual dates, times & issue then finalized on August 1, 2024.
- DOL UI Management, DOL Office of Information Management Services & Solutions and the Office of Information Technology held meetings every three weeks since February 2024 in preparation for the 2024 Exercise.
- A milestone document was developed for the 2024 LOOPS DRE. The milestone document was updated as we prepared for the DRE and during the DRE.
- Office of Information Management Services & Solutions, after the completion of the 2024 LOOPS DRE, will complete a Simplified Lessons Learned document. This document will overview the DRE, document what went well, what did not go well, what could have gone better, issues during the exercise, things to keep in mind for next exercise and recommendations.
- Office of Information Technology Disaster Recovery Unit, after the completion of the 2024 LOOPS DRE, will complete an After Actions Report reviewing the DRE.
- After the completion of the 2024 LOOPS DRE, OIT Auditor will audit the evidence samples gathered during the exercise and will prepare an Audit report.
- NJ Office of Homeland Security released in February 2024 an updated publication of the Statewide Information Security Manual (SISM). Section CP-Contingency Planning includes Policy, Contingency Plan, Contingency Plan Testing, Contingency Training, Alternate Processing and Storage sites, and System Backup and Recovery which has been considered in the annual review and updating of the department's UI IT Contingency Plan.

14.2. Assurances J: Assurance of Automated Information Systems Security

Regular Vulnerability Assessment scans continue to be done:

- New resources are scanned and remediated before being put into production.
- Labor continues to follow the System Architecture Review (SAR) process, any changes and/or enhancements to applications are required to also be reviewed and taken through the scan and remediation process before they can be approved for deployment to a production environment. Application Scanning and Penetration Testing are available on request from the OIT and the Office of Homeland Security and Preparedness (OHSP).
  - o Conducted Penetration Testing with OHSP & CISA on all Public facing Websites.
- Conducted Incident Response exercises at NJ Office of Homeland Security.

14.3. Server and Workstation Security

- The Server image is configured in compliance with CIS Benchmarks.
- All DOL workstations and servers have been configured with CrowdStrike and are continuously monitored.
- All DOL workstations are configured with Zscaler ZPA and ZIA.
- DOL IT Security works with OHSP to investigate any Security Alerts generated via CrowdStrike, Zscaler and Proofpoint. All public websites reside behind Imperva WAF. Perimeter and internal networks are protected by Palo Alto Firewalls. Rapid7 vulnerability and attack surface manager is installed on all servers.
- All log files are sent to the SIEM (Google Chronicle) for analysis.

14.4. System Security Plan – Information Security Policy

- An updated System Security Policy is currently in revision.
- Additional changes are being incorporated to update policy based on recent NIST Publication 800-53 rv.5 updates.
- Security Awareness Training was assigned to all DOL Staff as well as a Phishing Campaign. Test results showed marked improvement for security awareness.

15. Waiving Recovery of Overpayments

New Jersey continues to review CARES Act overpayments to determine eligibility for waiver using the established USDOL criteria for waiving these overpayments. Specific criteria to request and pursue the waiver of overpayments are on the state website where claimants can electronically request a waiver of their overpayment. New forms, internal process and electronic submissions have been instituted to allow for a more streamlined customer experience when requesting a waiver of their overpayment, whether the overpayment is UI or PUA related. Staff have been identified and trained on the overpayment waiver criteria and process around both CARES Act and UI overpayment waivers.

16. Coordination with DOL-OIG

Since the early 2000s, New Jersey has built and maintained a partnership with our Regional OIG office. This partnership allowed for a working knowledge of UI overpayments, which assisted with the prosecution of such fraudulent efforts. To this day, we continue to have a close relationship, and current efforts align without prevention mindsight. Alerting OIG of all overpayment dollar amounts is a requirement. We also speak during regular task force meetings on organized cyber-related attempts to enter our systems. While our prevention efforts minimize the overall dollar loss, our relationship with OIG allows for the referral of unique and high-profile attempts.

17. National Priorities

17.1. Rebuilding and improving program performance and develop high-quality customer services and experiences, including implementing American Rescue Plan Act (ARPA)-funded projects.

New Jersey has received ARPA related grants that are being used to improve program performance, maintain program integrity and improve the claimant experience while claiming benefits. The funds received through the Equity grant will foster community relations and improve communications with claimants on the unemployment process, including greater access to benefits and better understanding from claimants on their requirements to maintain eligibility. The Equity grant funds will also be used by the Office of Research and Information to allow for greater collection of data to identify trends on the population collecting benefits and identify any barriers by any particular identified group in this study.

The Integrity grant funds will be used to increase staffing levels within Benefit of Payment Control (BPC), to fully staff this unit as fraud levels (both identity theft and wage-benefit conflicts) continue to rise. A fully staffed BPC unit will allow for staff to identify and stop fraud schemes before any loss occurs, reducing overall fraud in the UI program.

17.2 Ensuring equitable access to UI programs.

New Jersey has been approved for the Equity Grant by USDOL. Work remains ongoing to implement the activities as outlined in the Equity Grant application to ensure access to UI programs is equitable for all claimants.

17.3 Strengthen reemployment and connections to suitable work.

The New Jersey Department of Labor and Workforce Development (NJDOL) has undertaken various initiatives to strengthen reemployment and enhance connections to suitable work for unemployed individuals. These efforts are aimed at improving the effectiveness of NJ's unemployment insurance (UI) program and workforce development system to help job seekers return to work more quickly and in positions that establish a career pathway towards self-sufficiency.

Below are some key aspects of these initiatives:

- **Reemployment Services and Eligibility Assessment (RESEA) Program:**
  The RESEA program provides UI claimants with personalized reemployment services. These services include career counseling, labor market information, and the development of an individualized reemployment plan. **The RESEA program is designed for four main purposes:**

  1. Reduce UI duration through improved employment outcomes.
  2. Strengthen UI program integrity.
  3. Promote alignment with the vision of the Workforce Innovation and Opportunity Act (WIOA); and
  4. Establish RESEA as an entry point to other workforce system partners.

  NJDOL has made several process improvement changes to make RESEA a more robust program that strengthens reemployment and connections to suitable work. The RESEA program provides a targeted approach to job search. Participants are provided up-to-date labor market information that empower them to make informed decisions about their career choices. A sector strategy approach is utilized to identify in-demand occupations and higher paying positions. RESEA participants are assigned a Career Coach that assists them one-on-one with conducting a more strategic, organized, and effective job search. The Career Coach helps participants understand the job market, identify suitable job opportunities, and apply for positions that align with their skills and experience. This strategic approach increases the chances of finding suitable employment quickly.

  The Career Coach works with participants to develop a tailored reemployment plan. This plan outlines the steps needed to return to work, including identifying career goals, potential employers, and necessary training or skill development. The Career Coach connects participants with additional resources, such as training programs, workshops, and job fairs. They may also refer participants to supportive services like transportation assistance or childcare to remove barriers to employment. The Career Coach provides ongoing support throughout the job search process, helping participants stay organized and focused. They may check in regularly to track progress, offer encouragement, and adjust the reemployment plan as needed.

  By offering one-on-one assistance, Career Coaches help RESEA participants navigate the job search process more effectively, leading to faster and more successful reemployment outcomes.

- **Career Pathways and Sector Strategies:**
  NJDOL has worked to develop career pathways and sector strategies that align training programs with the needs of high-demand industries. These initiatives help workers move into well-paying jobs and advance in their careers. Career pathways focus aligns education and workforce programs to bring together employers, industry associations, labor unions, education institutions, and workforce development partners to provide students and workers with the education and career pathways they need to find new careers and opportunities to achieve a competitive wage, and to ensure that employers have access to a highly skilled workforce to meet critical labor market needs.

  NJDOL has formed sector partnerships, which are collaborations between employers, industry associations, educational institutions, and workforce agencies. These partnerships focus on understanding the workforce needs of specific industries and developing strategies to meet those needs. Sector partnerships have been particularly effective in industries that are critical to regional economies, such as manufacturing, healthcare, information technology, and energy. Sector strategy approach often includes the development of career pathways within key industries. These pathways provide workers with clear routes to advance from entry-level positions to higher-skilled, better-paying jobs within a sector.

  By supporting sector strategies, NJDOL has created a more responsive and effective workforce development system that meets the needs of both job seekers and employers. This approach helps ensure that training and employment services are directly aligned with the demands of the labor market, leading to better job placement rates and stronger economic growth.

- **Apprenticeship and Work–Based Learning:**

  NJDOL plans to increase the use of apprenticeship programs and work-based-learning as key components of its strategy to connect unemployed individuals with suitable work. These programs combine paid on-the-job training with classroom instruction, allowing participants to earn while they learn. Apprentices receive mentorship from experienced workers and acquire skills that are directly relevant to their chosen industry. NJDOL partners with employers across various industries, including manufacturing, healthcare, information technology, construction, and energy, to develop apprenticeship programs that meet industry standards. This ensures that apprentices are gaining skills that are in demand and can lead to long-term employment. Upon completion of a registered apprenticeship, participants earn a nationally recognized credential that demonstrates their expertise and qualifications. This credential significantly enhances their employability and provides a pathway to career advancement.

- **Automation Tools:**

  New Jersey continues to enhance reemployment outcomes for UI claimants through innovative and effective service delivery. The state has prioritized implementing technological improvements to reduce the time between a claimant filing for benefits and receiving career and training services. Improved coordination between the Division of Unemployment Insurance and the Division of Workforce Development has resulted in a more seamless and comprehensive approach to delivering employment services to UI claimants.

  A single sign-on is automatically created for UI claimants when they apply for benefits, with their registration information electronically transferred from the UI database to the Workforce Development case management system. This ensures a smooth and efficient transfer of information. Claimants immediately receive alerts for job openings in their fields and have full access to update their information and conduct personalized job searches. Additionally, links to online resources, such as labor market information, career assessment tools, and training opportunities, are readily available.

  UI claimants can easily access resumé writing software, cover letter instructions, and online job boards. They are encouraged to create, develop, and follow a plan for securing employment. Virtual workshops on various employment-related topics, such as Career Pathways, Interviewing Skills, and Resumé Writing, are also offered. The software allows claimants to track their job search activity online, with important alerts related to their UI claims displayed on a personalized dashboard. This system is designed to provide a more coordinated and organized approach to delivering employment services, helping claimants return to work more quickly.

  NJDOL launched the use of a powerful job search engine, named My Career NJ this year. This innovative platform leverages artificial intelligence to offer personalized job recommendations, streamline the job search process, and connect users with roles that match their skills, experience, and career goals. The My Career NJ engine analyzes a job seeker's profile, including their resumé, work history, skills, and preferences, to provide tailored job suggestions. This helps job seekers focus on opportunities that align with their career aspirations. Users can search for jobs using various criteria, such as location, industry, job title, and salary range. My Career NJ refines these searches, making it easier to find relevant job openings quickly. The platform sends real-time notifications to job seekers about new job openings that match their profiles. This ensures that users are among the first to apply for positions that fit their qualifications.

  Generative AI technology is used to identify key skills required for desired jobs and compares them with the job seeker's existing skill set. It also highlights any gaps, recommending additional training or certifications to improve employability. The platform offers tools to help job seekers optimize their resumés and cover letters, ensuring that they are tailored to specific job applications and stand out to employers. Job seekers can access detailed information about potential employers, including company reviews, culture, benefits, and average salaries. This helps users make informed decisions about where to apply.

  By utilizing My Career NJ, job seekers can significantly enhance their job search process, making it more efficient and effective. The platform's use of AI-driven insights ensures that users are well-matched with opportunities that align with their career goals and skills, ultimately leading to better employment outcomes.

- **Good Jobs Challenge:**

  The New Jersey Good Jobs Challenge is an initiative aimed at strengthening the state's workforce by creating pathways to well-paying jobs in high-demand industries. Funded by the U.S. Economic Development Administration (EDA) as part of a national effort, this program seeks to build and expand regional workforce partnerships, develop training programs, and connect workers to quality jobs. The initiative targets key sectors in New Jersey's economy, such as advanced manufacturing, healthcare, clean energy, information technology, and logistics. The goal is to align workforce training with the specific needs of these industries, ensuring that workers have the skills required by employers.

  Through the NJ Good Jobs Challenge, New Jersey has partnered with various stakeholders to provide greater access to resources, ensuring that job seekers can successfully connect with quality employment opportunities. The program supports the development of customized training programs that cater to the needs of both job seekers and employers. These programs are designed to be accessible and relevant, focusing on the skills that are most in demand within the targeted industries. A key focus of the NJ Good Jobs Challenge is to increase access to quality jobs for underrepresented and underserved populations, including women, minorities, veterans, individuals with disabilities, and those impacted by the COVID-19 pandemic. The initiative seeks to remove barriers to employment and provide supportive services. By creating a skilled workforce that meets the needs of high-growth industries, the NJ Good Jobs Challenge aims to drive economic growth and enhance the competitiveness of the state's economy. The initiative supports both short-term recovery efforts and long-term economic resilience. The NJ Good Jobs Challenge represents a significant investment in New Jersey's workforce, aiming to create sustainable career pathways and support economic recovery. By focusing on collaboration, targeted training, and job placement, the initiative helps connect New Jersey residents with good jobs that offer stability and opportunities for advancement.

  Through these collaborative efforts, New Jersey offers a comprehensive approach to workforce development, making it easier for residents to access the resources and opportunities they need to succeed in the labor market, strengthen reemployment, and connect to suitable work.

17.4 Develop a multi-layered approach to addressing fraud, reducing improper payments, and recovering established overpayments.

New Jersey has adopted a multi-prong approach towards fraud prevention and detection. Incorporated within our many levels of fraud related tools, includes a cyber-fraud unit housing both data analytics functionality and identity proofing. These new efforts combined with our vast repertoire of cross matches and other fraud-related solutions now places New Jersey in a very forward-facing position in regard to all thing's fraud. Our SPLUNK software allows for link analysis of known fraud and common data points.

In accordance with USDOL's strong encouragement to move forward and identity proof every UI applicant, New Jersey has partnered with ID.me. ID.me allows New Jersey to enable IAL2 level proofing on every applicant, regardless of their particular situation. Those individuals who can maneuver through the self-service portion can self-identity proof expeditiously. Those individuals, not tech savvy or looking for a non-biometric option to identity proof, can use the direct to Trusted Referee option. Finally, a first nation-wide, New Jersey offers individuals the option to verify their identity in person at one of 18 state-wide vendor partner locations (out of state locations available for Interstate claims). These three options allow for equitable access to the identity proofing process required to ensure the individual filing the claim is in fact the owner of the identity. New Jersey has also partnered with Lexis Nexis on their device fingerprint offering – this will now allow New Jersey to obtain unique device attributes during online claims filing, single sign on account creations, all PII related changes and weekly certifications. New Jersey believes that including these unique data elements into our existing SPLUNK analytic tool will further allow New Jersey to identify and investigate known fraud trends and prevent more fraudulent monies from being paid.

New Jersey has also signed on to the NIDVO project, specifically to allow for USPS offices throughout the state to be used for in person verification in addition to what is offered through ID.me. Technical meetings with New Jersey IT staff and USDOL staff have begun, with the anticipated rollout of New Jersey's participation in NIDVO/USPS locations to be in place by the end of 2024.

17.5 Build responsive and resilient state Information Technology (IT) systems.

New Jersey is in the process of upgrading the UI systems through an ongoing UI Modernization project. This project will be all encompassing, modernizing the online claims intake system, weekly certification process, and the overall system of record with the goal being to move all claims processing away from the existing outdated legacy mainframe to a more modernized system. As this is a large project with many requirements, there is no established timeline for when a new system of record will be in place, New Jersey is taking an iterative approach in building replacement modules individually instead of a 'big bang' approach to replace the system all at once.

Claims intake (the online application claimants use to file/re-open their initial claim) is mostly implemented and in production, with just the remaining modules for fringe claims (UCX/UCFE) in the final stages of development. It is anticipated the full conversion on claims intake will be implemented by first quarter 2025, which at that time the older online initial claim application system will be retired.

Other individual components (claimant payment certification, the overall payment process, integration with adjudication, etc.) will continue throughout 2025 and beyond as the Modernization project continues to evolve.

17.6 Ensuring Accurate and Complete Filing and Reporting of ETA Required Reports.

Staff responsible for UI reporting continue to participate in New Jersey's ongoing UI modernization project to ensure that the new system will provide the needed data for our ETA required reporting functions. We are also ensuring that the data elements will comply with ETA report definitions.

The three ETA 9016 reports were delinquent as a result of delays in getting SAVE data needed for the report from the federal U.S. Citizenship and Immigration Services (USCIS). We continue to work with our USCIS partner to ensure the required data items are received timely. The Boston Regional ETA Office has been aware of this issue.

The successful submission of the three ETA-586 reports were delayed slightly due to data availability issues, and a staff shortage on the Office of Research and Information's (ORI) UI reporting team. Measures have been taken to ensure the timely submission of this report in future quarters.

We are continuously working with our ORI UI Data Validation team to ensure the reports being produced and sent to ETA comply with the specific reporting definitions and are submitted timely.

18. GPRA Federal Emphasis

18.1. Making Timely Benefit Payments

Timely first payments remain a priority for New Jersey, and we will continue to work towards meeting this standard. Nonmonetary determinations have a direct impact on first payment time-lapse and as we make improvements towards meeting non-monetary time lapse standards, that will have a positive impact on first payment time lapse as well.

Another issue impacting timely first payments is the need for identity verification on all new claims. Fraudulent claims filing has been an issue all states have struggled with, and New Jersey is no exception. After a new initial claim is filed, all claimants are referred to our identity verification partner ID.me to proof themselves. Upon claim entry, holds are put on the claim until the ID verification is completed so payments cannot be issued until we verify the claimant's identity. A larger than expected percentage of claimants do not proof

themselves immediately as directed or struggle with the process itself. This then delays the verification sent back to the Department which impacts our ability to process timely first payments.

New Jersey is looking closer to identify issues and better communicate to claimants the need to verify their identity once the claim is filed and how to go through the process. The Department is working to improve the overall communication about ID proofing, including adding a status on claimant's individual Claim Status page advising them of their status concerning ID proofing – for those that have not proofed themselves, the Claim Status will reflect that with a direct link to ID.me to complete the process.

18.2. Detect Benefit Overpayments

New Jersey overpayment detection rate is inflated due to the antiquated mainframe legacy system that serves as the system of record for claims processing. Any and all weeks of overpayment involving state or federal extensions are adjusted manually when establishing the overpayment, resulting in an inflated overpayment detection rate. All weeks involved on the claim are made to look like a normal UI week to allow for accurate employer charging, however those weeks inflate the overpayment amount for reporting purposes. All weeks are eventually charged to the appropriate program they were paid under; however, this manual process interferes with accurate reporting functionality. Once the claim is adjusted and work is completed, the overpayment determination issued accurately reflects the overpayment created.

New Jersey has openly and frequently discussed this known issue with USDOL and Tiger Team representatives. All parties agree that without significant programming changes to the existing mainframe or completion of the modernization project currently ongoing, the inflated reporting of this measure with continue.

18.3. Establish Tax Accounts Promptly

Employer Status has had some turnover which resulted in the tax liability determinations being just under the standard of 90%. Employer status hired multiple employee status (ES) trainees during the past year. As a result, training was necessary for these employees. The new ES hires need to be trained on how to register new accounts and the principal examiners have to take time off of production in order to bring the ES trainees up to speed. With new employee training completed, employer status should be able to meet the standard going forward.