

Joint Appropriations Hearing Budget Presentation

Georgia Department of Labor

Commissioner Bruce Thompson

January 17, 2024

AFY2024 Request

- **Priorities:**
 - Unemployment Insurance Modernization
 - Replace an obsolete 1986 Unemployment Insurance System.
 - Migrate servers and applications to the cloud.
 - Appeals Hearing Cases Backlog
 - Funding needed to address the backlog created by the pandemic.
 - Customer Service Response Unit
 - Pivotal to ensuring a positive customer service experience for claimants and employers.

AFY24 Activity	AFY24 Requested	AFY24 Funded	AFY24 Not Funded
DEPARTMENTAL ADMINISTRATION	\$ 5,916,040.00	\$ 2,000,000.00	\$ 3,916,040.00
<i>Infrastructure</i>	\$ 355,240.00	\$ -	\$ 355,240.00
<i>Assessment Services (IT, Financial Services, UI)</i>	\$ 2,575,000.00	\$ -	\$ 2,575,000.00
<i>Cloud Migration</i>	\$ 2,000,000.00	\$ 2,000,000.00	\$ -
<i>Security Services & Upgrades</i>	\$ 985,800.00	\$ -	\$ 985,800.00
UNEMPLOYMENT INSURANCE	\$ 2,332,725.00	\$ -	\$ 2,332,725.00
<i>UI: Reduce Backlog</i>	\$ 1,707,725.00	\$ -	\$ 1,707,725.00
<i>Customer Service Response Unit</i>	\$ 625,000.00	\$ -	\$ 625,000.00
EMPLOYMENT SERVICES	\$ 91,670.00	\$ -	\$ 91,670.00
<i>WOTC: Personal Services & Module</i>	\$ 91,670.00	\$ -	\$ 91,670.00
Total	\$ 8,340,435.00	\$ 2,000,000.00	\$ 6,340,435.00
UNEMPLOYMENT INSURANCE	\$ -	\$ 5,500,000.00	\$ -
<i>UI: Modernization*</i>	Requested in FY25	\$ 5,500,000.00	In GTA's Enterprise Budget

FY2025 Request

FY25 Activity	FY25 Requested	FY25 Funded	FY25 Not Funded
DEPARTMENTAL ADMINISTRATION	\$ 2,980,952.00	\$ -	\$ 2,980,952.00
<i>Infrastructure</i>	\$ 1,420,952.00	\$ -	\$ 1,420,952.00
<i>Assessment Services (IT, Financial Services, UI)</i>	\$ -	\$ -	\$ -
<i>Cloud Migration</i>	\$ -	\$ -	\$ -
<i>Security Services & Upgrades</i>	\$ 1,560,000.00	\$ -	\$ 1,560,000.00
UNEMPLOYMENT INSURANCE	\$ 9,330,900.00	\$ 2,409,475.00	\$ 6,921,425.00
<i>UI: Reduce Backlog</i>	\$ 6,830,900.00	\$ 2,409,475.00	\$ 4,421,425.00
<i>Customer Service Reponse Unit</i>	\$ 2,500,000.00	\$ -	\$ 2,500,000.00
EMPLOYMENT SERVICES	\$ 366,680.00	\$ -	\$ 366,680.00
<i>WOTC: Personal Services & Module</i>	\$ 366,680.00	\$ -	\$ 366,680.00
Total	\$ 12,678,532.00	\$ 2,409,475.00	\$ 10,269,057.00
CAPITAL OUTLAT REQUEST	\$ 9,760,000.00	\$ 2,000,000.00	\$ 7,760,000.00
UNEMPLOYMENT INSURANCE	\$ 5,500,000.00	\$ -	\$ -
<i>UI: Modernization*</i>	\$ 5,500,000.00	Approp. in AFY24*	In GTA's Enterprise Budget

- **Priorities:**

- Unemployment Insurance Modernization

- Replace an obsolete 1986 Unemployment Insurance System.

- Appeals Hearing Cases Backlog

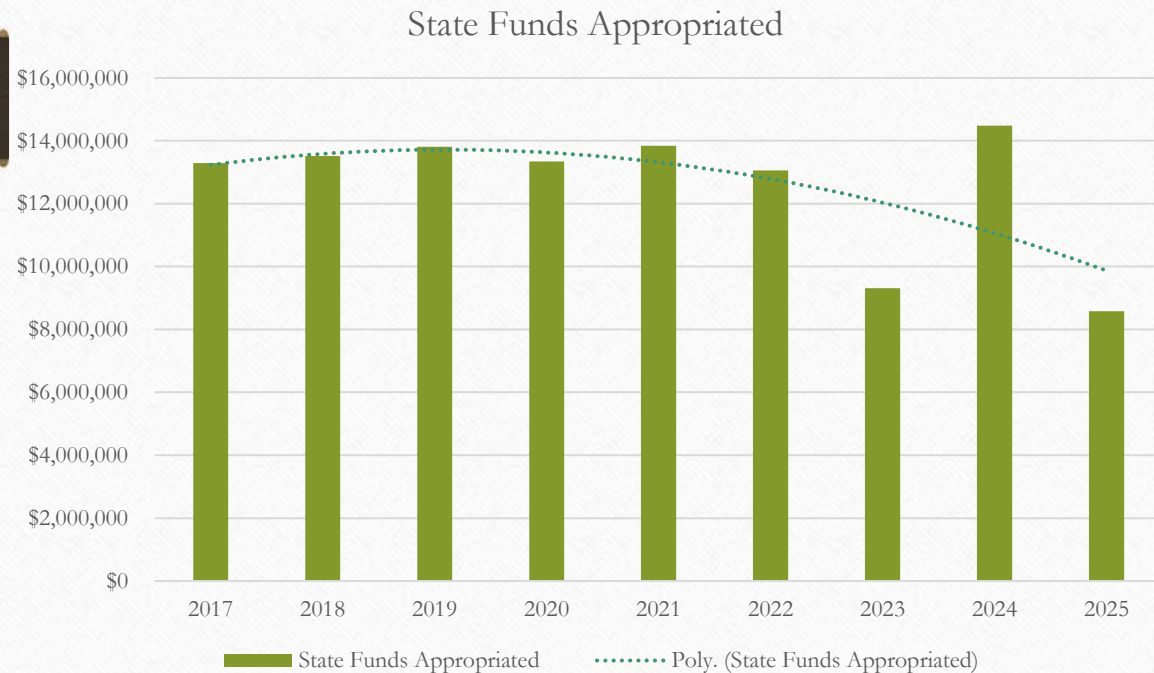
- Funding needed to address the backlog created by the pandemic.

- Customer Service Response Unit

- Pivotal to ensuring a positive customer service experience for claimants and employers.

State Funds Appropriated by Fiscal Year

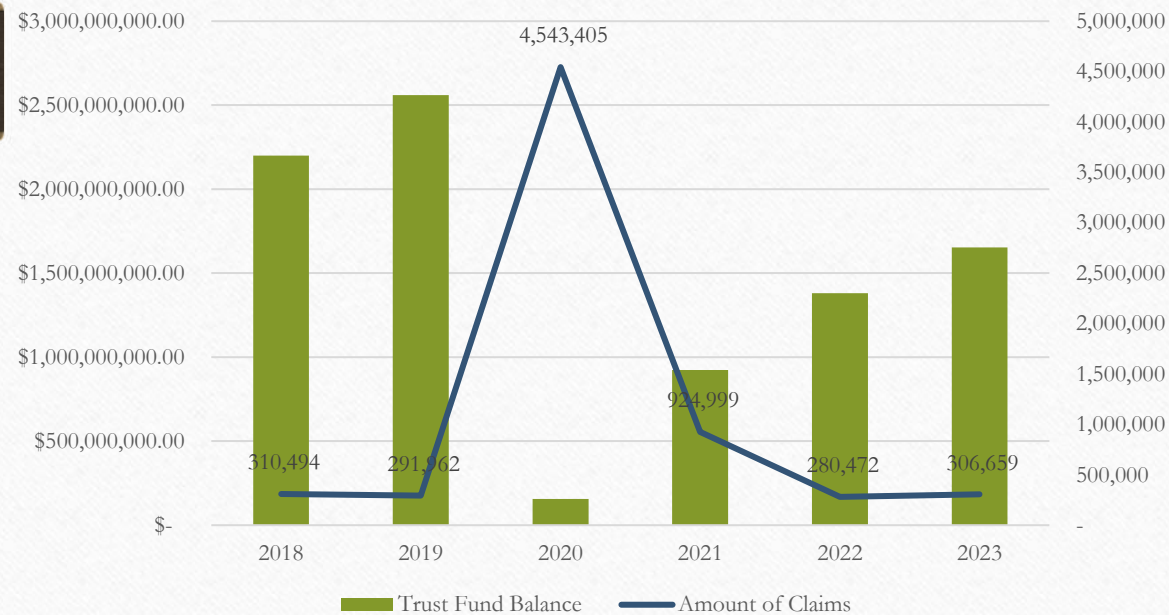
- State funds trend shows a downward slope between 2017 – 2025.
- Prior to AFY 2024 and FY 2025 GDOL didn't receive significant state funds to improve systems or productivity.
- 2025 appropriation is \$8,578,260



Trust Fund Balance

- Trust Fund Balance hit an all-time low of \$155M in 2020.
- Unemployment Insurance claims hit an all time high of 4.5M in 2020.

Trust Fund Balance vs Claims Amount by Calendar Year



- Trust fund solvency is ~\$3.2M
 - Only halfway there.
- **Current State of the Backlog**
 - Pending Claims: 4,589
 - Backlog of appeals cases: 17,442
 - Fraud Investigations: 69,725

Customer Service Response Unit



- Requesting \$625,000 in AFY24 and \$2.5M in FY25 for:
 - responding to customer inquiries associated with the status of unemployment claims;
 - replying to employers for tax-related issues.

Figures from January 3, 2023 – December 29, 2023:

- Number of Calls Received: 724,030
- Number of Calls Abandoned by Customers: 367,074 (51%)
- Number of Calls that were Completed: 356,956 (49%)
- Average Wait Time: 3 hours, 16 minutes

Assessment, Penalties, and Interest

Fiscal Year 2024

Month	Total
Prior Years Collections sent to Treasury	105,170,178.20
July	2,035,510.77
August	2,125,443.46
September	1,042,512.26
October	1,221,933.40
November	1,996,486.04
December	877,750.11
Total	114,469,814.24

- Remitted \$105M to state treasury in accumulated penalties and interest.
- Remitted \$9.3M from July through December 2023.
- Total FY 2024 Remitted: \$114.4M through December 2023



Questions?