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December 16, 2024

Hon. Max Wise, Co-Chair
Hon. Josh Branscum, Co-Chair
Interim Joint Committee on Economic Development and Workforce Investment
Legislative Research Commission
700 Capital Avenue
Frankfort, Kentucky 40601

Re: Unemployment Insurance Work Search Audit – KRS 341.350(10) – Annual Report 2024

Dear Co-Chairs Wise and Branscum,

The following Unemployment Insurance Work Search Audit report is submitted in accordance with KRS 341.350(10). This statute requires the Education and Labor Cabinet to conduct randomized weekly audits to evaluate claimant compliance with mandated work search activities and provide an annual report to the Governor and Interim Joint Committee on Economic Development and Workforce Investment. The period covered by this report is one calendar year, beginning October 1, 2023, and ending October 5, 2024.

A. The Percentage of Audited Claimants that Failed to Comply

The percentage of audited claimants that failed to comply with the work search activity requirement outlined in KRS 341.350(3)(c) was 83%. This number is down 1% from the 2023 year, which was the first year that the audit was conducted.

Claimants are advised during the claim filing process that they are required to maintain records of their work search and what type of documentation is acceptable should they be audited. When a claim is selected for audit, a letter is sent to the claimant via email explaining that they have been randomly selected and that they are required to upload documentation of their work search activities for a specified week within 10 days of the notice.

The majority of the failed audits are due to the claimant failing to respond to the audit or upload any of the requested documents. Of the claimants who did upload documents and still failed the audits, the work search verifications often failed to show the date on which the application was filed. The lack of date results in a failed audit because the Office of Unemployment Insurance (OUI) is unable to verify whether the work search was conducted during the week in question.

Work Search Audit	Claims Eligible	Claims Not Eligible	Total Audited	Percent Failed
2023 (Jan. 8-Oct. 23)	328	1776	2104	84%
2024 (Oct. 1, 2023-Oct. 5, 2024)	572	2829	3401	83%

B. Work Search Activities Most Commonly Engaged in by Audited Claimants

1. Job Application (77.35%)
2. Job Interview (3.90%)
3. Partner Search (0.45%)
4. Job Fair (0.38%)
5. Job Shadowing (0.27%)
6. Job Workshop (0.28%)
7. No Response (17.37%)



C. Recommendations to Make Work Search Activity Requirements More Effective in Assisting Claimants in Finding Employment

OUI is exploring options with our Career Development Office (CDO) partners to increase participation in re-employment activities to more effectively assist claimants in finding employment. KRS 341.350(3) requires that claimants be registered for work for each week that they claim UI benefits. If the system identifies the claimant as an individual who is likely to exhaust regular benefits, that claimant is required to participate in Re-Employment Workshops through the CDO.

During the 2024 report period, OUI took steps to make the work search audit notice more reader-friendly and to provide clearer instructions for uploading documentation, including types of suitable documentation. The data range has been added to the notice, rather than just the week ending date, as well as the consequences of failing to respond to the audit.

D. The Number of Claims Audited Each Week & Total Audited

Occurrence Effective Date	Total Audited
10/1/2023	91
10/8/2023	73
10/15/2023	66
10/22/2023	79
10/29/2023	66
11/5/2023	64
11/12/2023	64
11/19/2023	73
11/26/2023	60
12/3/2023	73
12/10/2023	72
12/17/2023	76
12/24/2023	64
12/31/2023	77
1/7/2024	79
1/14/2024	74
1/21/2024	34
1/28/2024	45
2/4/2024	82
2/11/2024	87
2/18/2024	83
2/25/2024	77
3/3/2024	74
3/10/2024	82
3/17/2024	75
3/24/2024	75
3/31/2024	72
4/7/2024	80
4/14/2024	74
4/21/2024	78
4/28/2024	78
5/5/2024	78
5/12/2024	75
5/19/2024	78
5/26/2024	75
6/2/2024	76
6/9/2024	69
6/16/2024	75
6/23/2024	32
6/30/2024	31
7/7/2024	101
7/14/2024	74
7/21/2024	70
7/28/2024	75
8/4/2024	72
8/11/2024	64
8/18/2024	39
8/25/2024	46
9/1/2024	23
9/22/2024	1
Total	3401



E. The Percentage of Claims Audited Each Week & Percentage of Total Claim Audited

Occurrence Effective Date	% Audited
10/1/2023	1.25%
10/8/2023	0.93%
10/15/2023	0.75%
10/22/2023	0.85%
10/29/2023	0.72%
11/5/2023	0.73%
11/12/2023	0.63%
11/19/2023	0.76%
11/26/2023	0.49%
12/3/2023	0.76%
12/10/2023	0.74%
12/17/2023	0.68%
12/24/2023	0.53%
12/31/2023	0.64%
1/7/2024	0.65%
1/14/2024	0.60%
1/21/2024	0.26%
1/28/2024	0.36%
2/4/2024	0.55%
2/11/2024	0.73%
2/18/2024	0.73%
2/25/2024	0.69%
3/3/2024	0.69%
3/10/2024	0.80%
3/17/2024	0.77%
3/24/2024	0.78%
3/31/2024	0.72%
4/7/2024	0.83%
4/14/2024	0.81%
4/21/2024	0.84%
4/28/2024	0.87%
5/5/2024	0.86%
5/12/2024	0.83%
5/19/2024	0.85%
5/26/2024	0.80%
6/2/2024	0.80%
6/9/2024	0.73%
6/16/2024	0.80%
6/23/2024	0.31%
6/30/2024	0.27%
7/7/2024	0.75%
7/14/2024	0.70%
7/21/2024	0.68%
7/28/2024	0.74%
8/4/2024	0.71%
8/11/2024	0.66%
8/18/2024	0.41%
8/25/2024	0.49%
9/1/2024	0.24%
9/8/2024	0.00%
9/15/2024	0.00%
9/22/2024	0.01%
9/29/2024	0.00%
Overall	0.63%

F. Summary of Audit Methodology

The UI work search audit is conducted on a weekly basis. To conduct the work search audit, the Cabinet's Office of Technology Services queries UI database information to identify which claims are eligible for inclusion.

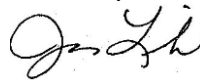
The group of claimants is identified for the audit query based on the following parameters:

1. The claimant successfully requested a payment in the prior two weeks (Sunday through Friday).
2. The claimant indicated during the payment request that they completed the required work search activities.
3. The claimant requested benefits for a claim that is monetarily valid. This means that the claimant earned enough wages during their base period to establish a UI claim.
4. The claimant is subject to the work search requirements and does not meet the work search exception criteria provided in 787 KAR 1:090 Section 1.
5. The claimant was not previously selected for an audit for the same benefit week.

From the group of claimants who meet the audit criteria above, up to 1% of that population is randomly selected for the audit using a mathematical function built into the Siebel CRM application.

An audit notice letter is sent to the claimant via email explaining that they have been randomly selected and are required to upload documentation of their work search activities for a specified week. The notice provides a deadline for uploading documents. The work task is assigned to a UI adjudicator who reviews the claim and work search documentation to verify whether it meets the requirements of the audit. The adjudicator makes a determination as to whether the claimant is eligible for the week in question. The writing of that determination is what the agency considers a completed audit.

Sincerely,



Jamie Link
Secretary