

3-15-1985

Financing Unemployment Insurance Appeals

M. S. Cerstvik

Follow this and additional works at: <https://digitalcommons.pepperdine.edu/naalj>



Part of the [Insurance Law Commons](#), and the [Labor and Employment Law Commons](#)

Recommended Citation

M. S. Cerstvik, *Financing Unemployment Insurance Appeals*, 5 J. Nat'l Ass'n Admin. L. Judges. (1985)
available at <https://digitalcommons.pepperdine.edu/naalj/vol5/iss1/5>

This Article is brought to you for free and open access by the Caruso School of Law at Pepperdine Digital Commons. It has been accepted for inclusion in Journal of the National Association of Administrative Law Judiciary by an authorized editor of Pepperdine Digital Commons. For more information, please contact bailey.berry@pepperdine.edu.

FINANCING UNEMPLOYMENT INSURANCE APPEALS

Hon. M. S. Cerstvik*

State personnel costs for unemployment insurance activities are funded by the Department of Labor (DOL) through the Cost Model Management System (CMMS). The CMMS used in the unemployment insurance program is a method of allocating limited money resources fairly and accurately. There are two main components of the system; the development of unit times through work measurement studies and the continued adjustment of staffing through workload monitoring.

Every state has permanent Cost Model staff to conduct these work measurement studies, develop and issue staffing and cost information reports, perform workload validation and monitor changes in procedure or law that might impact on the UI Program. DOL requires states to perform work measurement restudies of all UI activities every three years.

The work measurement studies determine the time needed to perform a certain workload activity, such as the time needed to take and process lower authority appeals. This time measurement is stated in minutes per workload unit, or MPUs. MPUs are then compared from all states by ranking high to low as shown in the Table following this article. Depending on the funds available for this activity, DOL funds the states using an allocation that tends to reward those states with the lowest MPUs. For example, the State of Nevada's study MPU for lower appeals is 258.964 and their budgeted MPU is 249.700; a decrease of 3.6%. The State of New York has a study MPU of 451.298 and a budgeted MPU of 373.316; a decrease of 17.3%. In this way, DOL encourages states to develop cost efficiency and to streamline procedures by considering the methods of low cost states which might be adopted by high cost states.

UI activities are never fully funded by Congress at levels requested by the states. When DOL receives the spending limits for each UI activity it adjusts the state-requested MPUs to fit the allocated resources. Adjusted MPUs are sent back to the states prior to the fiscal year beginning October 1. Normally, Cost Model distributes budgeted MPUs to state organizational units performing UI activities as determined by the work measurement studies. However, the internal distribution of resources within a state is not monitored by DOL. The final allocation of budgeted MPUs to the organizational units are determined by the state administrative office and may or may not reflect the study results.

When Cost Model is used properly, workload level dictates the staffing for UI activities. If appeal workload increases, more money is made available to the state from DOL to pay for additional appeal employees. When appeal workload decreases, less money is available and employees must

* Appeals Referee Nevada Employment Security Department. The author appreciates the assistance received from the staff of the Nevada Employment Security Department Cost Model Section.

be laid off. The federal government will pay the state the lesser of staff years "earned" or "used" each quarter with no ability to carry over either a deficit or surplus to the next quarter. Earned positions are calculated by matching the MPUs and actual workload. Used positions are those employees charging time to the UI program. By the end of each quarter, states are required to come as close as possible to earned equals used, or, in other words, are prohibited from having more employees working than are needed for the workload. This process of constantly monitoring the workload and staffing levels ensures maximum productivity and efficiency for the UI program.

(SEE CHART NEXT PAGE)

* * *

The NJC Board of Directors has selected Judge John W. Kern III of Washington, D.C., as the College's new dean, effective October 3.

Judge Kern, 56, had served on the District of Columbia Court of Appeals since 1968, assuming senior status in May 1984.

A 1949 graduate of Princeton University who received his law degree from Harvard University in 1952, he has worked as assistant to then Attorney General Ramsey Clark, supervising U.S. Attorneys across the country, and assisted former Assistant Attorney General Fred M. Vinson, Jr. He was also in private practice in Washington, D.C. and Assistant U.S. Attorney for the District of Columbia. Previously, he had clerked for the Chief Judge of the U.S. Court of Appeals for the D.C. Circuit and worked for the Central Intelligence Agency.

Judge Kern is an alumnus of the College, having attended the NJC's session at Princeton on search and seizure in 1975 and a workshop on prisons and sentencing in 1970.

He has two sons: John, a first-year law student at the University of California, Los Angeles School of Law, and Stephen, of Washington, D.C. He is engaged to marry Margaret Ann Cantlin of Washington, D.C.

(reprinted from the NJC Newsletter, Winter 1984)

* * *

INTRA LOWER AUTHORITY APPEALS

FEBRUARY 1985

STATE	STUDY MPU	BUDGETED MPU	STATE	STUDY MPU	BUDGETED MPU
Wyoming	576.763	469.276	Georgia	311.091	284.739
Montana	539.686	443.831	Maine	300.042	278.073
Hawaii	505.531	419.750	Minnesota	297.132	275.504
Michigan	474.860	392.780	South Carolina	292.127	272.328
Virgin Islands	469.536	395.561	South Dakota	285.389	268.167
Nebraska	464.752	391.500	Kansas	281.958	265.074
New York	451.298	373.316	Virginia	271.307	257.967
Vermont	436.040	372.147	Delaware	266.673	255.188
Ohio	431.894	364.892	Alaska	262.645	252.438
California	407.567	335.352	Pennsylvania	261.572	249.991
New Jersey	395.560	338.952	Connecticut	259.247	249.459
Washington	395.181	341.465	Nevada	258.964	249.700
Oregon	394.221	341.577	Iowa	254.746	246.563
Arizona	393.243	341.119	Texas	254.003	244.025
Rhode Island	391.580	341.069	Mississippi	252.675	245.401
Missouri	389.067	335.934	Indiana	249.175	242.799
New Mexico	381.737	333.944	North Carolina	242.086	238.023
New Hampshire	365.144	323.052	Maryland	238.082	235.367
Puerto Rico	364.766	322.597	Louisiana	236.819	234.265
Wisconsin	361.395	318.426	Kentucky	230.636	230.339
Utah	353.684	314.770	North Dakota	230.183	230.037
Florida	330.232	296.021	Dist. of Col.	229.712	229.712
Illinois	328.674	291.736	Arkansas	217.860	217.860
Colorado	325.037	293.228	Alabama	212.564	212.564
Idaho	324.588	295.200	Tennessee	210.266	210.266
Massachusetts	319.377	289.881	Oklahoma	207.771	207.771
West Virginia	315.044	288.233			