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Unemployment Insurance Trust Fund
Trust Fund Solvency

As of January 1, 2016, Iowa was 14th in the nation for trust fund solvency. The Average High Cost Multiplier is the formula used to calculate how long Iowa could pay out benefits without any future revenue taken into consideration. 1.0 equals 12 months and as of January 1, 2016, Iowa was able to pay out roughly 16 months.

STATE SOLVENCY (TOP 15 STATES)
AVERAGE HIGH COST MULTIPLE AS OF JANUARY 1, 2016

Recommended Minimum Level
Unemployment Insurance Benefits
Customer Service

TOTAL CALLS PRESENTED

20,770
21,276
18,248

July 2016
August 2016
September 2016

TOTAL CALLS HANDLED

20,188
18,460
17,162

July 2016
August 2016
September 2016

PERCENTAGE OF CALLS HANDLED

96.51
94.89
88.88

July 2016
August 2016
September 2016

AVERAGE WAIT TIME

2:38
1:09
:28

July 2016
August 2016
September 2016
First Payment Timeliness

Iowa currently ranks 15th in the nation based on the core measures for first payment timeliness.
Benefit Timeliness Quality

The following is a summary of the Benefits Timeliness and Quality (BTQ) review for the second quarter of 2016. BTQ is always reviewed a quarter behind. The review was conducted August 4, 2016.

BTQ is reviewed internally before being submitted to the U.S. Department of Labor. IWD uses a strict scoring regiment to ensure quality of training and review.

<table>
<thead>
<tr>
<th>BTQ CORE MEASURE CRITERION</th>
<th>FINAL BTQ CORE MEASURE SCORES FOR THE QUARTER ENDING JUNE 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passing Score Equals</td>
<td></td>
</tr>
<tr>
<td>75% Separation Determinations</td>
<td>70% Separation</td>
</tr>
<tr>
<td>and</td>
<td></td>
</tr>
<tr>
<td>75% Non-separation Determinations</td>
<td>96.67% Non-Separation</td>
</tr>
</tbody>
</table>
Fact-Finding Interviews

A fact-finding interview is an informal interview, usually held over the phone, in which both the individual and employer present information regarding the initial unemployment insurance claim.

The following graphs summarize the amount of fact-finding interviews IWD has conducted during the last quarter.
Unemployment Insurance Claims Data

**INITIAL CLAIMS**
3\(^{rd}\) QUARTER TOTAL = 28,886

- July 2016: 10,427
- August 2016: 9,051
- September 2016: 9,408

**WEEKLY CLAIMS**
3\(^{rd}\) QUARTER TOTAL = 227,009

- July 2016: 76,465
- August 2016: 88,836
- September 2016: 61,708

Numbers listed by thousands.
Unemployment Insurance Tax
Customer Service

TOTAL CALLS PRESENTED

<table>
<thead>
<tr>
<th>Month</th>
<th>July 2016</th>
<th>August 2016</th>
<th>September 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calls</td>
<td>2,824</td>
<td>2,664</td>
<td>2,178</td>
</tr>
</tbody>
</table>

TOTAL CALLS HANDLED

<table>
<thead>
<tr>
<th>Month</th>
<th>July 2016</th>
<th>August 2016</th>
<th>September 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calls</td>
<td>2,934</td>
<td>2,664</td>
<td>2,104</td>
</tr>
</tbody>
</table>

PERCENTAGE OF CALLS HANDLED

<table>
<thead>
<tr>
<th>Month</th>
<th>July 2016</th>
<th>August 2016</th>
<th>September 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>92.58</td>
<td>94.33</td>
<td>96.60</td>
</tr>
</tbody>
</table>

AVERAGE WAIT TIME

<table>
<thead>
<tr>
<th>Month</th>
<th>July 2016</th>
<th>August 2016</th>
<th>September 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wait Time</td>
<td>1:54</td>
<td>.48</td>
<td>.58</td>
</tr>
</tbody>
</table>
Field Audits

The Unemployment Insurance Tax Department reached their goal of completing 744 audits for the year in September 2016. UI Tax auditors are on track to hit 1,000 audits for the year.

**COMPLETED TAX AUDITS**

3rd QUARTER 2015 & 2016 COMPARISON

<table>
<thead>
<tr>
<th>Month</th>
<th>2015 Audits Completed</th>
<th>2016 Audits Completed</th>
<th>2015 Change in Wages Found</th>
<th>2016 Change in Wages Found</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2015</td>
<td>45</td>
<td>90</td>
<td>$1,499,071.00</td>
<td>$6,018,611.80</td>
</tr>
<tr>
<td>August 2015</td>
<td>58</td>
<td>102</td>
<td></td>
<td></td>
</tr>
<tr>
<td>September 2015</td>
<td>85</td>
<td>86</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**CALENDAR YEAR 2015-2016 AUDIT COMPARISON**

TIME PERIOD COMPARED: JAN. 1, 2015 TO SEPT. 30, 2015 AND JAN. 1, 2016 TO SEPT. 30, 2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Audits Completed</th>
<th>Misclassified Workers Found</th>
<th>Change in Wages Found</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>310</td>
<td>183</td>
<td>$1,499,071.00</td>
</tr>
<tr>
<td>2016</td>
<td>766</td>
<td>593</td>
<td>$6,018,611.80</td>
</tr>
</tbody>
</table>
**WAGES AUDITED**
2016 3rd Quarter Wages Audited = $61,032,375.62

- **July 2016**
  - $22,642,691.97
- **August 2016**
  - $19,411,287.64
- **September 2016**
  - $18,978,396.01

**CHANGE WAGES AUDITS**
2016 3rd Quarter Change Wages Audited = $4,150,927.87

- **July 2016**
  - $2,486,665.41
- **August 2016**
  - $612,880.11
- **September 2016**
  - $1,051,382.35

**PERCENT CHANGE IN WAGES**
3rd Quarter 2015 & 2016 Comparison

- 2015 3rd Quarter Percent Change in Wages = 2.12%
- 2016 3rd Quarter Percent Change in Wages = 6.80%

The numbers listed by percentages:
- July 2015: 2.80%
- July 2016: 10.98%
- Aug 2015: 4.29%
- Aug 2016: 3.16%
- Sept 2015: 3.58%
- Sept 2016: 5.54%
UI Tax Workflows

END OF QUARTER EMPLOYERS

Contributory Employers 75,228
Reimbursable Employers 2,289
Total Employers 77,517

TOTAL WAGE ITEMS RECEIVED

3rd Quarter 2016 1,845,669

Employer Reports

Contributory Employers

68,603 Timely
72,802 Secured
74,997 Resolved

Reimbursing Employers

2,147 Timely
2,264 Secured
2,295 Resolved

Unemployment Insurance Tax Workflows

Employer Liability Specialists were able to close: 9,825 Workflows
Unemployment Integrity
Quality Control

The Quality Control Bureau (QC) reviews several programs for the unemployment system of Iowa Workforce Development. The BAM (Benefit Accuracy Measurement) program is designed to conduct random audits of both paid and denied unemployment claims.

The Department of Labor (DOL) randomly selects 480 paid cases and 450 denied cases per year to be reviewed. Nine paid cases and nine denied cases are pulled each week and divided among six auditors to be thoroughly reviewed. The auditors complete the case and enter their findings. The case is then submitted for supervisory review and the final findings are submitted to DOL.

DOL has set the standard that time lapse for paid case completion will be 70 percent in 60 days and/or 95 percent in 90 days. QC has exceeded these standards for the last several quarters. During 3rd quarter, QC has closed:

- 124 of 130 paid cases (90.38% within 60 days)
- 124 of 126 denied cases (94.41% within 60 days)

The DOL standard for denied case completion is 60 percent in 60 days and/or 85 percent in 90 days. For the 3rd quarter of 2016, QC has met this standard and closed:
Claimant Fraud/Non-Fraud

3RD QUARTER OVERPAYMENT SETUP

Total Setup: $3,097,312.20
# Misclassification

<table>
<thead>
<tr>
<th>MISCLASSIFICATION OF WORKERS TEAM RESULTS</th>
<th>3RD QUARTER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employers Added</td>
<td>15</td>
</tr>
<tr>
<td>Misclassified Workers</td>
<td>154</td>
</tr>
<tr>
<td>Total Unreported Wages</td>
<td>$4,786,546</td>
</tr>
<tr>
<td>Total Debt Due</td>
<td>$245,080</td>
</tr>
<tr>
<td>Contribution</td>
<td>$189,796</td>
</tr>
<tr>
<td>Penalty</td>
<td>$17,801</td>
</tr>
<tr>
<td>Interest</td>
<td>$37,483</td>
</tr>
<tr>
<td>Total Collections</td>
<td>$19,991</td>
</tr>
<tr>
<td>Contribution Collected</td>
<td>$17,013</td>
</tr>
<tr>
<td>Penalty Collected</td>
<td>$558</td>
</tr>
<tr>
<td>Interest Collected</td>
<td>$2,420</td>
</tr>
</tbody>
</table>
Collections

TOTAL MONEY COLLECTED IN 2016
JANUARY 1, 2016 THROUGH SEPTEMBER 30, 2016

Total Money Collected: $16,029,251