



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

MEMORANDUM

DATE: June 20, 2022

TO: Honorable Mike Shirkey, Senate Majority Leader
Honorable Jim Ananich, Senate Minority Leader
Honorable Jason Wentworth, Speaker of the House
Honorable Donna Lasinski, House Minority Leader

FROM: Julia Dale, Director
Michigan Unemployment Insurance Agency
Department of Labor and Economic Opportunity

SUBJECT: Pursuant to PA 1 of 1935, Sec. 421.5a
Unemployment Insurance Agency Advocacy Program Report

Attached is the Unemployment Insurance Agency Advocacy Program report document, prepared by the Unemployment Insurance Agency, pursuant to PA 1 of 1935, Sec. 421.5a.

Per Section 421.5a of the Employment Security Act, the unemployment agency shall make an annual report to the legislature on the operation of the program. Each report under this subsection must include, but is not limited to, the following for the previous 12-month period:

- (a) Number and type of claimants served.
- (b) Number and type of employers served.
- (c) Costs to the program of the claimants served.
- (d) Costs to the program of the employers served.
- (e) An analysis of the impact of the services provided on the appeal system provided by this act.

Should you have any questions regarding this report or need additional information please contact Rachael Wineland, UIA Legislative Liaison, at WinelandR@michigan.gov or 517- 290-3053.

Unemployment Insurance Advocacy Program

2021 Annual Report

The Advocacy Program was created by the enactment of Public Act 226 of 1989, which added Section 5a to the Michigan Employment Security Act (MES Act). The Advocacy Program's purpose is to provide information, consultation, and representation services to the unemployed workers (claimants) and employers who request assistance with an appeal to an administrative law judge. The Advocacy Program began providing services in 1991 and since then, over 258,314 customer cases have been opened and closed.

The appropriation for this program is \$1.5 million. The law requires that a maximum of 60% (\$900,000) of the appropriation be used for claimant representation and a maximum of 40% (\$600,000) of the appropriation be used for employer representation.

- A. During CY 2021, 1,759 claimant cases were provided advocacy services.
- B. During CY 2021, 1,126 employer cases were provided advocacy services.
- C. The program expenditures incurred to serve claimants totaled \$261,800, which is 29% of that allotted portion of the appropriation.
- D. The program expenditures incurred to serve employers totaled \$162,650 which is 27% of that allotted portion of the appropriation.
- E. The total number of advocacy cases increased from 2020 to 2021 due to Covid 19 pandemic. There was a significant increase in the number of unemployment claims filed due to Covid 19 pandemic. The number of claimant cases receiving services from the Advocacy Program during 2021 increased, while the number of employer cases receiving services decreased. It is expected that claimants and employers will continue to use the Advocacy Program as they will continue to need advocacy services for assistance with representation at their hearings.

The advocates provide eligible customers with a consultation and representation. During a consultation, the advocate is required to discuss the issue(s) involved, review documentation, and help the customer determine if witnesses are necessary for the hearing. The advocate also explains the hearing process and what to expect during the hearing. As a result, the parties are better prepared to present their case.

The Advocacy Program does not provide representation services at the hearing if the advocate determines the case lacks merit. The Advocate determines if the appeal has merit based on a reasonable application of the MES Act and precedent case law. If after consulting with the customer, the advocate determines that the case lacks merit, the advocate must advise their customer accordingly. At times, claimants and employers decide to withdraw their appeal after consulting with an advocate. This helps to reduce the number of hearings before the administrative law judges.