DEPARTMENT OF LABOR

Employment and Training Administration

20 CFR Part 603

[Docket ETA–2025–0004]

RIN 1205–AC11

Federal-State Unemployment Compensation (UC) Program; Data Availability

AGENCY: Employment and Training Administration, Labor.

ACTION: Proposed rule; request for comment.

SUMMARY: The Department of Labor (DOL or the Department) is issuing this proposed rule to require the disclosure of confidential Unemployment Compensation (UC) information to Federal officials for the purposes of UC program oversight and audits. This rule will ensure that Federal officials, including the DOL Office of Inspector General (DOL–OIG), are able to obtain the information they need in order to ensure proper oversight of the UC program and to identify and address fraud in the UC program.

DATES: Comments must be received by September 29, 2025.

ADDRESSES: You may send comments, identified by Docket No. ETA–2025–0004 and Regulatory Identification Number (RIN) 1205–AC11, by the following method:

- *Federal eRulemaking Portal: https://www.regulations.gov.* Search for the above-referenced RIN, open proposed rule, and follow the on-screen instructions for submitting comments.
- *Instructions:* All submissions received must include the agency name and docket number for this rulemaking or ''RIN 1205–AC11.''

Please be advised that the Department will post comments received that relate to this proposed rule to *https://www.regulations.gov,* including any personal information provided. The *https://www.regulations.gov* website is the Federal e-Rulemaking Portal and all comments posted there are available and accessible to the public. Please do not submit comments containing trade secrets, confidential or proprietary commercial or financial information, personal health information, sensitive personally identifiable information (for example, Social Security numbers, driver's license or State identification numbers, passport numbers, or financial account numbers), or other information that you do not want to be made available to the public. Should the Department become aware of such information, the Department reserves the right to redact or refrain from posting sensitive information; libelous, or otherwise inappropriate comments, including those that contain obscene, indecent, or profane language; comments that contain threats or defamatory statements; and comments that contain hate speech. Please note that depending on how information is submitted, the Department may not be able to redact the information, and instead reserves the right to refrain from posting the information or comment in such situations.

Docket: For access to the docket to read background documents, comments received, or the plain-language summary of the proposed rule of not more than 100 words in length required by the Providing Accountability Through Transparency Act of 2023, go to *https://www.regulations.gov* (search using RIN 1205–AC11 or Docket No. ETA–2025–0004). If you need assistance to review the comments, contact the Office of Policy Development and Research at 202–693–3700 (this is not a toll-free number).

FOR FURTHER INFORMATION CONTACT: Luke Murren, Deputy Administrator, Office of Policy Development and Research, Employment and Training Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Room N–5641, Washington, DC 20210, Telephone: (202) 693–3700 (voice) (this is not a toll-free number). For persons with a hearing or speech disability who need assistance to use the telephone system, please dial 711 to access telecommunications relay services.

SUPPLEMENTARY INFORMATION:

I. Background

Title 20 CFR part 603 establishes requirements for maintaining the confidentiality of UC information along with standards for required and permissible disclosures of such information. The current regulation at 20 CFR 603.5(i) provides that State UC agency disclosures to Federal officials for UC program oversight and audits are permissible. When paragraph (i) of section 603.5 was last updated in 2006, the notice of proposed rulemaking (NPRM) proposed an exception to 20 CFR part 603 for disclosures required by Federal law.[1] The Final Rule changed the provision proposed at 20 CFR 603.5(i) to limit it to disclosures for UC program oversight and audits because disclosures to Federal officials as ''required by Federal Law'' was already covered by other provisions in the rule, including the section allowing disclosure to public officials at 20 CFR 603.5(e). See 71 FR 56830, 56837 (Sept. 27, 2006). The Department explained in the Final Rule that it included the provision regarding permissible disclosures for the purpose of Federal oversight and audits because ''the Department believe[d] it [was] necessary to explicitly address the inapplicability of the confidentiality requirement to any disclosure to the Federal Government for purposes of UC program oversight and audits.'' See 71 FR 56830, 56837 (Sept. 27, 2006). The Department now proposes to revise part 603 to make these disclosures required.

As State UC operations have evolved since this regulation was first promulgated, States have faced increased fraud incidents including sophisticated multistate fraud schemes by organized criminals. The COVID–19 pandemic caused a sizable increase in fraudulent activity, costing the UC program billions of dollars according to estimates by DOL–OIG. DOL–OIG identified $45.6 billion in potentially fraudulent unemployment insurance (UI) benefits paid in six high-risk areas,[2] and estimated $191 billion in UI benefits during the pandemic period could have been paid improperly, with a significant portion attributable to fraud.[3] The Secretary must be able to ensure that the UC program is administered consistent with the requirements of Federal law. Audits and oversight of the UC program by DOL–OIG and other Federal officials help detect fraud vulnerabilities and identify possible solutions, which help to ensure the UC program is being administered consistent with Federal law requirements.

The Department previously published a related request for information, entitled ''Federal-State Unemployment Compensation (UC) Program; Confidentiality and Disclosure of State UC Information,'' on July 25, 2023 (88 FR 47829). In total, 30 commenters responded, representing a cross-section of stakeholders including but not limited to State UC agencies, local workforce development boards, private

[1] See 69 FR 50022 (Aug. 12, 2004) (proposing § 603.5(i)).

[2] OIG Alert Memorandum: *Potentially Fraudulent Unemployment Insurance Payments in High-Risk Areas Increased to $45.6 Billion Report Number: 19–22–005–03–315,* September 21, 2022, *https://www.oig.dol.gov/public/reports/oa/2022/19-22-005-03-315.pdf.*

[3] ''The Greatest Theft of American Tax Dollars: Unchecked Unemployment Fraud,'' Hearing, Statement for the Record of Larry D. Turner, Inspector General, U.S. Department of Labor; House Committee on Ways and Means, February 8, 2023, available at: *https://www.oig.dol.gov/public/testimony/02082023.pdf.*

organizations, and individuals. Question 113 of the request for information explicitly asked about required disclosures to DOL–OIG for purposes of UC program oversight and audit. Of the 30 commenters, two responded specifically to this question and their comments were not substantive.

Amending the regulation to require these disclosures will allow the Department to continue the important work of identifying and preventing fraud in the UC program.

II. Discussion

The Department is proposing to remove paragraph 20 CFR 603.5(i), which permits State UC agencies to disclose confidential UC information to Federal officials for purposes of UC program oversight and audits, and to add a provision requiring the disclosure of confidential UC information for purposes of UC program oversight and audits to 20 CFR 603.6, which contains required disclosures. Moving the disclosure to Federal officials for the purposes of UC program oversight and audits to 20 CFR 603.6 would make these disclosures a requirement under 20 CFR part 603. The proposed rule would effectuate this change by redesignating paragraph (c) of § 603.6 as paragraph (d) and inserting a new paragraph (c) in § 603.6. The proposed rule would also make conforming amendments to the introductory matter of § 603.5 and to paragraph (b) of § 603.8.

On March 20, 2025, President Trump issued Executive Order (E.O.) 14243 titled ''Stopping Waste, Fraud, and Abuse by Eliminating Information Silos,'' [4] which required that ''the Secretary of Labor and the Secretary's designees shall receive, to the maximum extent consistent with law, unfettered access to all unemployment data and related payment records. . .'' E.O. 14243, Section 3(d), 90 FR 13681 (Mar. 25, 2025). This NPRM's proposed amendment would further the objectives of the E.O. by requiring, rather than allowing, the disclosure of confidential UC information to Federal officials for the purposes of UC program oversight and audits.

Audits and oversight of the UC program performed by Federal officials, such as those conducted by the DOL–OIG, to identify and address fraud, help ensure the UC program is administered consistent with the Federal law requirements of section 303(a)(1) of the Social Security Act (SSA). The authority for this amendment is derived from the ''methods of administration'' requirement of section 303(a)(1), SSA. Section 303(a)(1), SSA, requires States to provide in their laws, as a condition to be certified to receive administrative grants, for such ''methods of administration'' as the Secretary determines are ''reasonably calculated to insure full payment of unemployment compensation when due.'' The Department interprets the phrase ''when due'' in this requirement to mean accurate payments are made to eligible claimants in addition to ensuring that the payments are timely. It also requires that a State not make payments when payments are not due, *i.e.,* to individuals not eligible, due to fraud or otherwise. Due to the increasingly sophisticated nature of the fraud schemes perpetuated against the UC program, DOL interprets section 303(a)(1), SSA, as requiring the disclosure of confidential UC information to Federal officials, including DOL–OIG, for the purpose of UC program oversight and audits. Identifying and preventing fraud activities through oversight and audits reduces improper payments of benefits and is necessary for the proper and efficient administration of the UC program.

Confidential UC information has been collected by DOL–OIG since 2020 in accordance with the Inspector General Act and its subpoena authority. This collection continued in accordance with the Coronavirus Aid, Relief, and Economic Security (CARES) Act, as amended, to include the American Rescue Plan Act (ARPA). The temporary UC programs under the CARES Act ended in 2021. Subsequent ARPA grants included a condition that continued the required disclosures to DOL–OIG for UC program oversight and audits; however, these grants were terminated in May 2025. Since the termination of those grants, States are expected to comply with DOL–OIG requests and continue to provide the data on a quarterly basis. The collections occur under a System of Records Notice (SORN) that covers such collections. See DOL–OIG 12, Office of Inspector General Warehouse and Learning System (OWLS), 85 FR 60833 (Sept. 28, 2020).

The Department is soliciting comments from the public concerning the proposed changes enumerated in this NPRM. Additionally, the Department is requesting comments from the public regarding a potential amendment to 20 CFR part 603 that would require States to submit all claims data on a regular basis to the Employment and Training Administration as part of a national UC claims database for the purposes of UC program oversight and audits. Specifically, the Department is soliciting public comments regarding this and appropriate safeguards and security measures to protect claimant data collected under such a requirement.

III. Procedural Issues and Regulatory Review

A. Review Under Executive Orders 12866 (Regulatory Planning and Review), 13563 (Improving Regulation and Regulatory Review), and 14192 (Unleashing Prosperity Through Deregulation)

E.O. 12866, ''Regulatory Planning and Review'' (58 FR 51735 (Oct. 4, 1993)), requires agencies, to the extent permitted by law, to: (1) propose or adopt a regulation only upon a reasoned determination that its benefits justify its costs (recognizing that some benefits and costs are difficult to quantify); (2) tailor regulations to impose the least burden on society, consistent with obtaining regulatory objectives, taking into account, among other things, and to the extent practicable, the costs of cumulative regulations; (3) select, in choosing among alternative regulatory approaches, those approaches that maximize net benefits; (4) to the extent feasible, specify performance objectives, rather than specifying the behavior or manner of compliance that regulated entities must adopt; and (5) identify and assess available alternatives to direct regulation, including providing economic incentives to encourage the desired behavior, such as user fees or marketable permits, or providing information upon which choices can be made by the public.

Section 6(a) of E.O. 12866 also requires agencies to submit ''significant regulatory actions,'' as defined by section 3(f) of that E.O., to the Office of Information and Regulatory Affairs (OIRA), which is part of the Office of Management and Budget (OMB). OIRA has determined that this proposed rule is a ''significant regulatory action'' under section 3(f) of E.O. 12866. Accordingly, this proposed rule was submitted to OIRA for review. E.O. 13563 directs agencies to propose or adopt a regulation only upon a reasoned determination that its benefits justify its costs; it is tailored to impose the least burden on society, consistent with achieving the regulatory objectives; and in choosing among alternative regulatory approaches, the agency has

[4] See *https://www.whitehouse.gov/presidential-actions/2025/03/stopping-waste-fraud-and-abuse-by-eliminating-information-silos/.*

selected those approaches that maximize net benefits.

E.O. 14192, titled ''Unleashing Prosperity Through Deregulation,'' was issued on January 31, 2025. This rule, if finalized as proposed, is not expected to be an E.O. 14192 regulatory action, pursuant to section 3(b) of E.O. 14243, ''Stopping Waste, Fraud, and Abuse by Eliminating Information Silos.''

1. Statement of Need

The Department proposes to amend 20 CFR part 603 to require, rather than permit, the disclosure of confidential UC information to Federal officials for the purposes of UC program oversight and audits. Since this regulation was first promulgated, and as State UC operations have evolved, States have faced increased fraud incidents including sophisticated multistate fraud schemes by organized criminals. During the COVID–19 pandemic, there was a sizable increase in fraudulent activity costing the UC program billions of dollars according to estimates by DOL–OIG. DOL–OIG identified $45.6 billion in potentially fraudulent UI benefits paid in six high-risk areas,[5] and estimated $191 billion in UI benefits during the pandemic period could have been paid improperly, with a significant portion attributable to fraud.[6]

The Secretary must be able to ensure that the UC program is administered consistent with the requirements of Federal law. Mandatory disclosure of confidential UC information to Federal officials, including DOL–OIG, for the purpose of UC program oversight and audits is essential to ensure the UC program is being administered consistent with Federal law and to identify and prevent fraud. ARPA grant conditions temporarily required such disclosures; however, these grants were terminated in May 2025. Codifying the requirement for disclosures will allow the Department to continue its important work of identifying and preventing fraud in the UC program.

2. Alternatives Considered

OMB Circular A–4, which outlines best practices in regulatory analysis, directs agencies to analyze reasonable regulatory alternatives to the proposed regulatory action. Accordingly, the Department considered two alternatives regarding disclosure of confidential UC information to Federal officials for the purposes of UC program oversight and audits. The first alternative was to make comprehensive updates to 20 CFR part 603, including to require States to disclose confidential UC information to DOL–OIG for the purposes of UC program oversight and audits. The comprehensive updates the Department considered and that were described in the Fall 2024 Unified Agenda of Regulatory and Deregulatory Actions would have included additional amendments regarding issues raised by stakeholders over the years, including addressing questions around sharing information across the workforce system, the permissibility and use cases of sharing information with agencies within the Department for analysis and evaluation, the permissibility of disclosing confidential UC information to federally recognized Indian tribes, data warehousing, and the use of contractors and subcontractors. While the Department gained valuable information from the engagement with stakeholders and the related request for information that was published on July 25, 2023 (88 FR 47829), the Department ultimately decided that the most critical step needed at this time was to address fraud in the UC program by ensuring the Department, including the DOL–OIG, has access to data to conduct oversight and combat fraud.

Another option considered was to make no change to 20 CFR part 603 concerning disclosure of confidential UC information to Federal officials, including to DOL–OIG. The Department decided against maintaining the status quo because the rise of fraud incidents and sophisticated multistate fraud schemes demand immediate action by the Department to strengthen program integrity and safeguard the UC program from fraudulent activity.

3. Economic Analysis

The Department conducted an economic analysis to determine the costs of the proposed rule and to consider the benefits and the impact of transfers under the rule. The Department recognizes potential costs of the rule for required technological upgrades, compliance costs, and costs related to data submission. However, data availability prevents the Department from estimating these costs. The Department understands that many State UC agencies are already disclosing the information that this proposed rule would codify to the DOL–OIG, minimizing any new costs, but the Department lacks sufficient data to quantify the number of State UC agencies doing so. Separately, the Department lacks information about the number of DOL–OIG disclosure requests that State UC agencies receive annually as well as the costs associated with such disclosures incurred by States. We seek comments on the number of, and the costs, burdens, and/or benefits associated with, requests for confidential UC information States receive annually from the DOL–OIG.

Additionally, the proposed rule would impose a one-time regulatory familiarization cost on the 53 State UC agencies. These costs are associated with State UC agency staff reviewing the new regulation and conducting internal discussions and are determined using U.S. Bureau of Labor Statistics (BLS) Occupational Employment and Wage Statistics (OEWS) data and estimates of the time required to become familiar with the rule.

The Department considers the potential benefits of the proposed rule to be significant, including strengthening program integrity and building and maintaining public trust in the system. Specific benefits include enhancement of fraud prevention, identification, and investigation and providing strong oversight and accountability through timely audits and evaluations. The proposed rule would result in evidence-based policymaking, but data availability and uncertainty limit the Department's ability to quantify the potential benefits of the rule.

i. Rule Familiarization Costs

Regulatory familiarization costs represent direct costs to the 53 State UC agencies with UC programs that will need to review the new regulation in order to implement it. Consequently, the proposed rule will impose a one-time familiarization cost to those entities in the first year after promulgation. The Department anticipates that the changes introduced by the rule will be reviewed by General and Operations Managers (SOC code[7] 11–1021), Lawyers (SOC code 23–1011), and Computer Systems Analysts (SOC code 15–1211) employed by State UC agencies within the State government. The Department anticipates that it will take one State UC Manager, Lawyer, and Computer Systems Analyst an average of 1 hour to

[5] OIG Alert Memorandum: *Potentially Fraudulent Unemployment Insurance Payments in High-Risk Areas Increased to $45.6 Billion Report Number: 19–22–005–03–315,* issued September 21, 2022, *https://www.oig.dol.gov/public/reports/oa/2022/19-22-005-03-315.pdf.*

[6] ''The Greatest Theft of American Tax Dollars: Unchecked Unemployment Fraud,'' Hearing, Statement for the Record of Larry D. Turner, Inspector General, U.S. Department of Labor; House Committee on Ways and Means, February 8, 2023, available at: *https://www.oig.dol.gov/public/testimony/02082023.pdf.*

[7] This analysis uses codes from the Standard Occupational Classification (SOC) system and the North American Industry Classification System (NAICS).

review the rule and hold a meeting concerning the rule.

The BLS OEWS data show that the median hourly wage of a State government General and Operations Manager is $58.81.[8] The Department assumes a 62 percent benefits rate[9] and a 17 percent overhead rate,[10] so the fully loaded wage rate is $105.27 [= $58.81 + ($58.81 × 62%) + ($58.81 × 17%)]. The BLS OEWS data shows that the median hourly wage of a State government Lawyer is $56.51.[11] The fully loaded wage rate is $101.15 [= $56.51 + ($56.51 × 62%)+ ($56.51 × 17%)]. The BLS OEWS data show that the median hourly wage of a State government Computer Systems Analyst is $42.86.[12] The fully loaded wage rate is $76.72 [= $42.86 + ($42.86 × 62%) + ($42.86 × 17%)].

The time burden of 1 hour was multiplied by the estimated number of entities (53), and the total of the loaded hourly wage rate of the readers ($105.27 + $101.15 + $76.72 = $283.14). This calculation results in a one-time undiscounted cost of $15,006.42 in the first year after the rule takes effect.

ii. Technology Costs for State UC Agencies

This proposed rule, if finalized, may require States to update computer systems and security protocols in order to comply with Federal and State laws concerning safeguarding confidential UC information. State UC agencies already have systems in place for providing information to DOL–OIG. However, some States may need to perform upgrades to information technology systems in order to provide additional data required under this proposed rule. The Department is unable to quantify the number of States that may need to perform IT updates, and determine whether updates would require upgrades to existing technology or the purchasing of entirely new systems. The Department is soliciting comments concerning the costs to the States to update their information technology systems as a result of this proposal, and if there are any other operational or logistical impediments at the State level for providing additional data to DOL–OIG or other Federal officials.

iii. Costs for Compliance With State Laws

The requirements for disclosures under State law vary from State to State, as the regulation establishes the Federal minimum requirements. The Department is unable to identify those State law requirements and therefore cannot quantify any associated costs. The Department solicits comments concerning State laws that may impose additional requirements for the disclosure of data and the costs to comply with those State laws.

iv. Costs for Data Request Fulfillment

Grant funds may be used to cover the costs of providing required data under this rule to Federal officials for UC program oversight and audits. It is not clear whether the data requests received will be the same requests for data that States already fulfill, or if the amended rule will result in new requests. Because of this ambiguity, the Department cannot quantify the increased cost to the States to respond to the data requests, but acknowledges that grant funds may be used by the States to offset possible increases in costs. The Department invites States to comment with information on the costs States incur to provide data to DOL–OIG and additional costs States may incur to provide data to entities under this rule.

v. Non-Quantifiable Benefits

The proposed rule is expected to generate several important unquantified benefits that would support the integrity and effectiveness of the UC program. Chief among these is the enhancement of fraud prevention and detection capabilities. By requiring the disclosure of confidential UC information to Federal officials, including DOL–OIG, the proposed rule would enable more effective identification and investigation of fraudulent claims, including complex, multistate schemes. This increased access to data also would strengthen overall program integrity by ensuring that benefits are paid only to eligible individuals and withheld from those who are ineligible, thus aligning the regulation with the statutory requirement for accurate and timely payments under Section 303(a)(1) of the SSA.

In addition, the proposed rule would promote stronger oversight and accountability by facilitating consistent and timely audits and evaluations by Federal entities. This oversight helps ensure that State UC programs are administered in compliance with Federal law and best practices. As noted above, confidential UC information has been collected by DOL–OIG since 2020 under various authorities. This proposed rule would formalize that relationship and close an oversight gap by requiring such information be disclosed upon request to the Department and other Federal officials for UC program oversight and audits.

Moreover, because the rule would require disclosure of confidential UC information to Federal officials for purposes of UC program oversight and audits, the proposed rule would facilitate evidence-based policy making to support program integrity and performance. This data-driven approach would enhance the efficiency and responsiveness of the UC program. The proposed rule also aligns with recent executive orders aimed at reducing information silos and improving interagency collaboration to combat waste, fraud, and abuse.

Finally, by reinforcing transparency and accountability in the administration of the UC program, the proposed rule would help to build and maintain public trust in the system. Although these potential benefits are not readily quantifiable, they represent significant improvements in the administration, oversight, and public perception of the UC program.

B. Review Under the Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA), 5 U.S.C. chapter 6, requires the Department to evaluate the economic impact of this rule on small entities. The RFA defines small entities to include small businesses, small organizations, including not-for-profit organizations, and small governmental jurisdictions. The Department must determine whether the rule will impose a significant economic impact on a substantial number of such small entities. The Department concludes that this rule does not regulate any small entities directly, so any regulatory effect on small entities will be indirect. Accordingly, the Department has determined this rule will not have a significant economic impact on a

[8] General and Operations Managers (11–1021), for industry type ''State Government, excluding Schools and Hospitals'', period May 2024. Data extracted on June 17, 2025, from *https://www.bls.gov/oes/*.

[9] BLS, ''National Compensation Survey, Employer Costs for Employee Compensation,'' *https://www.bls.gov/ecec/data.htm* (last visited May 27, 2025). For State and local government workers, wages and salaries averaged $38.45 per hour worked in 2024, while benefit costs averaged $23.81, which is a benefits rate of 62 percent.

[10] Cody Rice, U.S. Environmental Protection Agency, ''Wage Rates for Economic Analyses of the Toxics Release Inventory Program,'' June 10, 2002, *https://www.regulations.gov/document?D=EPA-HQ-OPPT-2014-0650-0005*.

[11] Lawyers (23–1011) for industry type ''State Government, excluding Schools and Hospitals'', period May 2024. Data extracted on June 18, 2025, from *https://www.bls.gov/oes*.

[12] Computer Systems Analysts (15–1211) for industry type ''State Government, excluding Schools and Hospitals'', period May 2024. Data extracted on June 18, 2025, from *https://www.bls.gov/oes*.

substantial number of small entities within the meaning of the RFA.

C. Paperwork Reduction Act of 1995

The purposes of the Paperwork Reduction Act of 1995 (PRA), 44 U.S.C. 3501 *et seq.,* include minimizing the paperwork burden on affected entities. The PRA requires certain actions before an agency can adopt or revise a collection of information, including publishing for public comment a summary of the collection of information and a brief description of the need for and proposed use of the information.

As part of its continuing effort to reduce paperwork and respondent burden, the Department conducts a preclearance consultation program to provide the public and Federal agencies with an opportunity to comment on proposed and continuing collections of information in accordance with the PRA. See 44 U.S.C. 3506(c)(2)(A). This activity helps to ensure that the public understands the Department's collection instructions, respondents can provide the requested data in the desired format, reporting burden (time and financial resources) is minimized, collection instruments are clearly understood, and the Department can properly assess the impact of collection requirements on respondents.

A Federal agency may not conduct or sponsor a collection of information unless it is approved by the OMB under the PRA and it displays a currently valid OMB control number. The public is also not required to respond to a collection of information unless it displays a currently valid OMB control number. In addition, notwithstanding any other provisions of law, no person will be subject to penalty for failing to comply with a collection of information if the collection of information does not display a currently valid OMB control number (44 U.S.C. 3512).

Confidential UC data are currently collected by DOL–OIG, which will continue to collect the data after this rulemaking becomes effective. In accordance with the Inspector General Empowerment Act of 2016, Offices of Inspectors General are exempt from the procedural requirements for information collections under the PRA when they are conducting an authorized audit, investigation, inspection, evaluation, or review. The Department, beyond DOL–OIG, is not collecting this information from States at this time.

D. Review Under Executive Order 13132 (Federalism)

E.O. 13132, ''Federalism,'' 64 FR 43255 (Aug. 10, 1999), imposes certain requirements on Federal agencies formulating and implementing policies or regulations that preempt State law or that have Federalism implications. E.O. 13132 requires agencies to examine the constitutional and statutory authority supporting any action that would limit the policymaking discretion of the States and to carefully assess the necessity for such actions. E.O. 13132 also requires agencies to have an accountable process to ensure meaningful and timely input by State and local officials in the development of regulatory policies that have Federalism implications. The Department has reviewed this proposed rule in light of these requirements and has concluded that it meets the requirements of E.O. 13132.

Accordingly, the Department has reviewed this proposed rule and has concluded that the rulemaking has no substantial direct effects on States, the relationship between the Federal Government and the States, or the distribution of power and responsibilities among the various levels of government as described by E.O. 13132. Therefore, the Department has concluded that this proposed rule does not have a sufficient federalism implication to require further agency action or analysis.

E. Review Under the Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA) requires each Federal agency to assess the effects of Federal regulatory actions on State, local, and Tribal governments and the private sector. Public Law 104–4, sec. 201 (codified at 2 U.S.C. 1531). For a regulatory action likely to result in a rule that may cause the expenditure by State, local, and Tribal governments, in the aggregate, or by the private sector of $100 million or more in any one year (adjusted annually for inflation), section 202 of UMRA requires a Federal agency to publish a written statement that estimates the resulting costs, benefits, and other effects on the national economy. 2 U.S.C. 1532(a), (b)). UMRA also requires a Federal agency to develop an effective process to permit timely input by elected officers of State, local, and Tribal governments on a ''significant intergovernmental mandate,'' and requires an agency plan for giving notice and opportunity for timely input to potentially affected small governments before establishing any requirements that might significantly or uniquely affect them.

The Department examined this proposed rule according to UMRA and its statement of policy and determined that this proposed rule does not contain a Federal intergovernmental mandate, nor is it expected to require expenditures of $100 million or more in any one year by State, local, and Tribal governments, in the aggregate, or by the private sector. As a result, the analytical requirements of UMRA do not apply.

F. Executive Order 13175 (Indian Tribal Governments)

The Department has reviewed this proposed rule under the terms of E.O. 13175 and the Department's Tribal Consultation Policy and has concluded that the proposed changes to regulatory text would not have Tribal implications. These proposed changes do not have substantial direct effects on one or more Indian tribes, the relationship between the Federal government and Indian tribes, nor the distribution of power and responsibilities between the Federal government and Tribal Governments.

G. Review Under Executive Order 12630

Pursuant to E.O. 12630, ''Governmental Actions and Interference with Constitutionally Protected Property Rights,'' 53 FR 8859 (March 18, 1988), DOL has determined that this proposed rule would not result in any takings that might require compensation under the Fifth Amendment to the U.S. Constitution.

H. Plain Language

E.O. 12866, E.O. 13563, and the Presidential Memorandum of June 1, 1998 (Plain Language in Government Writing), direct executive departments and agencies to use plain language in all rulemaking documents published in the **Federal Register**. The goal is to make the government more responsive, accessible, and understandable in its communications with the public. Accordingly, the Department drafted this proposed rule in plain language.

List of Subjects in 20 CFR Part 603

Unemployment compensation, Wages.

For the reasons set forth in the preamble, the Department of Labor proposes to amend 20 CFR part 603 as follows:

PART 603—FEDERAL-STATE UNEMPLOYMENT COMPENSATION (UC) PROGRAM; CONFIDENTIALITY AND DISCLOSURE OF STATE UC INFORMATION

■ 1. The authority citation for part 603 continues to read as follows:

Authority: Secs. 116, 189, 503, Pub. L. 113–128, 128 Stat. 1425 (Jul. 22, 2014); 20 U.S.C. 1232g.

■ 2. Amend § 603.5 by removing paragraph (i) and revising the introductory text to read as follows:

§ 603.5 What are the exceptions to the confidentiality requirement?

The following are exceptions to the confidentiality requirement. Disclosure of confidential UC information is permissible under the exceptions in paragraphs (a) through (g) of this section only if authorized by State law and if such disclosure does not interfere with the efficient administration of the State UC law. Disclosure of confidential UC information is permissible under the exception in paragraph (h) of this section without such restrictions.

* * * * *

■ 3. Amend § 603.6 by redesignating paragraph (c) as paragraph (d) and adding a new paragraph (c) as follows:

§ 603.6 What disclosures are required by this subpart?

* * * * *

(c) The Department of Labor interprets Section 303(a)(1), SSA, as requiring the disclosure of confidential UC information to a Federal official for purposes of UC program oversight and audits.

* * * * *

■ 4. Amend § 603.8 by revising paragraph (b) to read as follows:

§ 603.8 What are the requirements for payment of costs and program income?

* * * * *

(b) *Use of grant funds permitted.* Grant funds paid to a State under Section 302(a), SSA, may be used to pay the costs of only those disclosures necessary for proper administration of the UC program. (This may include some disclosures under § 603.5(a) (concerning public domain information), § 603.5(c) (to an individual or employer), and § 603.5(d)(1) (to an agent).) In addition, grant funds may be used to pay costs of disclosures under § 603.6(a) (for the proper administration of the UC program) and § 603.6(c) (for UC Program Oversight and Audits). Grant funds may also be used to pay costs associated with disclosures under § 603.7(b)(1) (concerning court-ordered compliance with subpoenas) if a court has denied recovery of costs, or to pay costs associated with disclosures under § 603.7(b)(2) (to officials with subpoena authority) if the State UC agency has attempted but not been successful in obtaining reimbursement of costs. Finally, grant funds may be used to pay costs associated with any disclosure of UC information if not more than an incidental amount of staff time and no more than nominal processing costs are involved in making the disclosure.

* * * * *

Susan Frazier,

Acting Assistant Secretary for Employment and Training, Labor.

[FR Doc. 2025–16645 Filed 8–28–25; 8:45 am]

BILLING CODE 4510–FW–P

DEPARTMENT OF JUSTICE

28 CFR Part 16

[CPCLO Order No. 004–2025]

Privacy Act of 1974; Implementation

AGENCY: Executive Office for Immigration Review, United States Department of Justice.

ACTION: Notice of proposed rulemaking.

SUMMARY: In the Notice section of today's **Federal Register**, the Executive Office for Immigration Review (EOIR), a component within the United States Department of Justice (DOJ or Department), has published a notice of a modified system of records, Adjudication and Appeal Records of the Office of the Chief Immigration Judge and Board of Immigration Appeals, JUSTICE/EOIR–001. This system of records has been exempted from the access and amendment provisions of the Privacy Act of 1974, U.S.C. 552a(d), pursuant to 5 U.S.C. 552a(k)(1), and (k)(2). *See* 28 CFR 16.83. In this notice of proposed rulemaking, EOIR proposes to update 28 CFR 16.83 consistent with the system of records' modifications to exempt this system of records from certain provisions of the Privacy Act to protect properly classified information and law enforcement sensitive materials maintained in the system. For the reasons provided below, the Department proposes to update its Privacy Act regulations exempting records in this system from certain provisions of the Privacy Act. Public comment is invited.

DATES: Comments must be received by September 29, 2025.

ADDRESSES: You may send comments by any of the following methods:

- *Email: privacy.compliance@usdoj.gov.* To ensure proper handling, please reference the CPCLO Order No. in the subject line of the message.
- *Fax:* 202–307–0693.
- *Mail:* United States Department of Justice, Office of Privacy and Civil Liberties, ATTN: Privacy Analyst, Two Constitution Square, 145 N St. NE, Suite 8W–300, Washington, DC 20530. All comments sent via regular or express mail will be considered timely if postmarked on the day the comment period closes. To ensure proper handling, please reference the CPCLO Order No. in your correspondence.
- *Federal eRulemaking Portal: http://www.regulations.gov.* When submitting comments electronically, you must include the CPCLO Order No. in the subject box. Please note that the Department is requesting that electronic comments be submitted before midnight Eastern Daylight Savings Time on the day the comment period closes because *http://www.regulations.gov* terminates the public's ability to submit comments at that time. Commenters in time zones other than Eastern Time may want to consider this so that their electronic comments are received.

Posting of Public Comments: Please note that all comments received are considered part of the public record and made available for public inspection online at *http://www.regulations.gov* and in the Department's public docket. Such information includes personally identifying information (such as your name, address, etc.) voluntarily submitted by the commenter. If you want to submit personal identifying information (such as your name, address, etc.) as part of your comment, but do not want it to be posted online or made available in the public docket, you must include the phrase ''PERSONAL IDENTIFYING INFORMATION'' in the first paragraph of your comment. You must also place all personal identifying information that you do not want posted online or made available in the public docket in the first paragraph of your comment and identify what information you want redacted.

If you want to submit confidential business information as part of your comment, but do not want it to be posted online or made available in the public docket, you must include the phrase ''CONFIDENTIAL BUSINESS INFORMATION'' in the first paragraph of your comment. You must also prominently identify confidential business information to be redacted within the comment. If a comment has so much confidential business information that it cannot be effectively redacted, all or part of that comment may not be posted online or made available in the public docket.

Personal identifying information and confidential business information identified and located as set forth above will be redacted and the comment, in redacted form, may be posted online and placed in the Department's public docket file. Please note that the Freedom of Information Act applies to all comments received. If you wish to inspect the agency's public docket file