

# Executive Summary

## A PLAYBOOK FOR IMPROVING UNEMPLOYMENT INSURANCE DELIVERY

This playbook presents a bold yet achievable North Star vision for what unemployment benefits can be, and the concrete steps needed to get there — concrete steps that, in almost every case, individual states have already tested.

To create the vision and map the steps, we collaborated with more than 50 advocacy groups, partners, dozens of state leaders and many unemployed workers. We highlight lessons learned from past recessions, recent pandemic-inspired innovations, and complementary benefit spaces like SNAP and WIC.

### **This is a playbook of what’s working to deliver unemployment benefits to those who need them.**

We hope that this living playbook will inspire and drive further improvements, building on the successes of individual states. New America, supported by the Families and Workers Fund, will continue to update these pages as states develop more solutions. We invite you to submit your suggestions and stories [here](#).

### **Yes, a lot has gone wrong in benefits delivery.**

[And a lot has already been written about what’s gone wrong](#) . Coming out of the last recession, the American Recovery and Reinvestment Act of 2009 (ARRA) provided up to a total of \$7 billion as incentive payments for states to “modernize” state UC benefit provisions. Payments were available through September 2011.<sup>1</sup> As recently as 2016, the Government Accountability Office (GAO) asserted<sup>2</sup> that 40% of states had completed successful “modernizations” of their unemployment systems. But looking at the [experiences of states delivering unemployment this year](#), it’s hard to see \$7 billion in improvements or modern benefits delivery. [The Department of Labor Inspector General’s 2021 report](#) highlighted that it took far too long for states to disburse payments (an average of 50 days for

the PEUC program) and that they didn't follow U.S. DOL guidance, leading to unnecessary hardship for workers while also increasing improper payments.

As of this writing, more than half of states have opted out of continuing Pandemic Unemployment Assistance (PUA) benefits, many citing the challenges of rampant fraud. If we don't put effective solutions in place now, we are at real risk that essential emergent benefits will not be an option in the next recession.

## Unemployment benefits helped millions of Americans through this crisis.

While there were delays and delivery challenges, [the CARES Act kept 12 million families](#) out of poverty and helped support the economy through the pandemic economic crisis. [Every \\$1.00 spent on UI created \\$1.61 in local spending](#), which helped keep the economy afloat during this difficult time. Overall, [nearly one in four workers relied on unemployment insurance to weather the pandemic](#), with insurance claims peaking around 30 million in late June of 2020. Less generous unemployment benefits [would have made the recession even worse](#), demonstrating how necessary these benefits were to families.

## So we learn from the past and build on what works.

**We set a vision** for what we want unemployment benefits to look like — a North Star that hasn't been articulated before.

We want claimants to **easily access and manage the benefits they're entitled to**, so we set claimant-centric metrics and launch demonstration projects to refine the best ways to achieve them. And we share what we learn, in ways that other states can readily replicate.

We want equitable outcomes for all populations, so we design processes for the hardest-to-reach 10%. We measure how those processes are working across demographics groups, and **we hold systems accountable to equitable access**.

## Here is the future we can have.

“What is a state's primary mandate when it comes to UI: To administer the prompt delivery of unemployment benefits to eligible applicants or to focus on identifying potential fraud and minimizing payouts?”<sup>3</sup> — *New America*

The report begins by describing a potential future for unemployment benefits, one where all claimants can navigate the benefits application process, where real-time data feeds make it possible for them to receive payments the very same day, and where anti-fraud measures are effective at stopping benefit and identity theft, without also stopping real claimants from gaining access. We will know we have reached these goals because we have consistent, reliable metrics that track claimant-centric success outcomes as well as equitable access metrics across all populations.

## These are the issues we need to examine.

“Digitizing a broken process gets you a digitized, broken process.” — *New America*

We considered the unemployment process step by step, through the lens of claimants, partners, and the limitations of current systems. We uncovered success stories, case studies, and promising practices across the following areas:

- **Fraud prevention and identity verification** that don't discriminate against populations that need benefits the most. (Surprise: the federal government already has an effective solution, but state unemployment systems haven't been using it.)
- **Wage verification enhancements**, like automated wage verification for 1099 (freelance) workers and the creation of an online unemployment account that people could review to fix their employment and wage data as needed, before they ever need to apply for unemployment.
- **Claimant experience improvements** across multiple dimensions, including mobile access, claim status tracking, recertification, supporting multiple languages, accessibility, plain language content, cross-benefit promotion, and password resets. In particular, we emphasize making it clear when claimants need to take action, and making it simple and fast for them to take that action correctly.
- **Payment-related improvements**, including existing ways for states to leverage instant and/or digital payment methods, further increase today's payment timeliness in service of an eventual same-day payment goal, and avoid overpayments.
- **Claim processing changes** that can help states better prepare for the next recession by using data and practice exercises to develop scalable resources, and use workload management tools to more effectively deploy experienced staff.
- **Customer service practices** like measuring first contact resolution, offsetting high contact volume with improved self-service offerings for those claimants who prefer self-service, and providing service across multiple channels in a way that can resolve all inquiries back to the original individual for improved service.

We also spend time on specific technology best practices, like website instrumentation and back-end system monitoring, that can help systems collect and act on data to drive improvements. But we emphasize that technology *by itself* isn't a solution. COBOL systems can process claims just fine, just as a new single-page JavaScript application can make it impossible for users to apply. The technology itself is nowhere near as relevant as the surrounding goals, metrics, policies, and processes.

## Here are the steps towards the future we want.

In summary, our recommended approach for improving unemployment is:

- [Define success](#) in terms of claimant-centric *outcomes*, like percentages of claimants receiving unemployment benefits the same day they apply—not “how” measures like number of hours spent or lines of code written.
- Consider policy, practice, and technology together<sup>4</sup> holistically in developing hypotheses for solutions. Good implementation can't fix poorly constructed policy.
- [Launch demonstration projects](#) with interested states designed to iteratively build, test, and further improve upon ways to achieve these goals.
- Promote successful demonstration projects to [develop shared services when they make sense](#).
- Conduct a rapid ecosystem assessment to [organize states into cohort models](#) for building and deploying solutions towards these success criteria.
- [Deploy strike teams](#) to perform deeper state-specific work that needs to be consistent nationally, like defining and measuring backlogs and fraud rates.
- [Build state integrated command centers](#) to respond to incidents, working down [fraud](#) and [backlogs](#).
- Improve the [relationship between U.S. DOL and states](#) through collaborative projects like demonstration pilots and shared services like central [plain language](#) and [transadaptation](#) teams from which states gain value.
- Deploy [philanthropic support](#) towards specific demonstration projects in service of specific success metrics, as well as a [state working groups](#) to advance best practices and share fixes.

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# NOTES

1. <https://www.naswa.org/system/files/2021-03/usdolreleasesnaswareport.pdf> Page VI ↩
2. <https://www.gao.gov/assets/gao-16-430.pdf> ↩
3. <https://www.newamerica.org/pit/reports/unpacking-inequities-unemployment-insurance/a-focus-on-fraud-over-accessibility-the-punitive-design-of-ui/> ↩
4. “States often found that changes to one aspect of service delivery affected or influenced another. State leaders described the importance of strategically addressing the interplay of policy, business process, and technology barriers as they worked to implement their visions of service delivery. State policy staff usually participated in design sessions for new eligibility systems to ensure that new technologies were as compatible as possible with existing policies and planned policy changes. Policy staff often worked alongside operational staff to set policies for business improvement pilots or write new policies to fit new business procedures. Illinois changed its policy on verifying citizenship, allowing the state to eliminate a citizenship form that had slowed processing of benefit applications. Likewise, redesign of business processes sometimes called for changes in technology, and access to improved technology could spur changes in business processes. The development of a single computer system to handle all of Rhode Island’s social service programs facilitated the shift to an integrated business process using universal workers.” [link](#) ↩

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# North Star

As the economy changes, unemployment benefits need to reflect the shifting needs of the workforce. This is especially critical during local and national disasters that displace large amounts of workers with little warning.

We recommend adopting the following goals to ensure that unemployment benefits are able to respond to change and remain accessible to those who need them, when they need them:

- **Same-day benefits payments** provided to claimants using the payment mechanism (e.g., direct deposit, prepaid card, Venmo) that works best for them. Same-day benefits decisions are enabled by real-time access to identity and wage information, with success benchmarks that measure and prioritize equitable access to same-day benefits. States adopt tools that defend against criminal activity effectively without preventing real claimants from accessing benefits.
- **Tracking meaningful outcomes** using metrics that center the claimant: timely payments, meaningful employment, and first contact resolution — not hours of training delivered or calls answered.
- **A clear, easy-to-use application process** that uses plain language to help claimants understand whether they are eligible, how to apply, and what to expect next, accessible across the devices and in languages they use every day.
- **Benefits that protect workers who aren't eligible for traditional "unemployment insurance"** — including tipped, gig, freelance, or remote workers — in times of emergency, like a pandemic. The government needs to stand ready to deliver these benefits in the next disaster, rather than haphazardly tacking them onto existing systems in the midst of a crisis.
- **A scalable claims processing system** that can meet demand in times of high unemployment without requiring constant pandemic-level staffing. This means leveraging elastic services for tasks like mail processing and identity verification; workload management systems that allow leaders to confidently hire and reallocate staff without reducing the capacity of their most specialized workers; and a consistent national framework for the policies and procedures that can and can't be waived under specific circumstances.
- **Transparent, real-time reporting** about equitable claimant access, agency workloads, and obstacles between state workforce agencies, U.S. DOL, Congress, and the public.

- **A collaborative relationship between U.S. DOL and states** to improve the experience of both claimants and employees. New program letters would be co-authored with states, with practical implementation guidance developed through demonstration projects in states first. These new experiences must be co-designed well, in service of claimant-centric metrics, from the start.
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# Fraud

In our 50+ interviews with states, state partners, and advocacy partners, more often than not we heard some version of “our mission is fraud prevention.” Due to the recent increase in fraud, this is understandable. Unfortunately, many current strategies for fraud prevention hurt the very people who need help the most.

A fraud-focused operation assumes that the more difficulty a person has with the process, the higher the chance of them being a fraudster. In reality, it often means that the benefits program — the application and recertification processes — hasn’t been designed with this person in mind.

**This report encourages states not to punish users for faults in system design.** In this section, we:

- Define the types of UI fraud and their historical scope and impact
- Explain the recent surge in fraud
- Describe how current fraud-prevention strategies do more harm than good
- Recommend a path to fraud-prevention strategies that work while improving the system’s ability to meet the legitimate needs of underserved populations

## THERE ARE 2 TYPES OF UI FRAUD

In the context of unemployment insurance, fraud is when applicants supply false information to get unemployment benefits they’re not legally entitled to. There are 2 main types of fraud:

- **Benefit theft** is when a person provides false information (a false claim) to increase the amount of benefit they receive in their own name.
- **Identity theft** is when a criminal impersonates a different person to obtain benefits. The impersonated person, who is generally not aware of the claim, may or may not rightfully qualify for the benefits drawn by the fraudster.

People who commit either type of fraud are called “fraudsters,” and cases are often a combination of both — using a stolen identity to file a false claim.

The vast majority of fraud cases since the pandemic have involved identity theft.<sup>1</sup> Prior to the pandemic, only around one percent of unemployment fraud was identity theft.<sup>2</sup>

**Benefit theft has existed as long as UI has existed.**

Before the pandemic, a significant percentage of claims were technically associated with fraud. “For the last eight years, the Department’s Office of the Inspector General (OIG) has determined that the UI program is out of compliance with the Improper Payment Elimination and Recovery Act of 2010 due to an improper payment rate over 10 percent.”<sup>3</sup>

**The vast majority — 99% — of this fraud was benefit theft, not identity theft.** Real individuals conducted benefit theft in their own name, by doing things like:

- Continuing to collect unemployment after they returned to work
- Over-representing their former wages in order to qualify for a higher benefit amount
- Claiming unemployment benefits for a week when they were too sick to be available to work

Given the complexity of the unemployment application process, some of these thefts may have been the result of honest mistakes. And many times, these overpayments could have amounted to just a few dollars.

## **States were fairly good at catching benefits fraud early.**

If an individual returned to work but lied to continue to collect unemployment, they might have collected benefits for a certification period or two. But the agency would soon get an alert as to their new employment status and shut off benefits. This is an overpayment and counts as benefits theft, but compared to the scale of today’s fraud, it was miniscule — and states were relatively well equipped to catch and stop it.

## **The frequency and scale of identity theft has recently exploded.**

Since the pandemic, UI fraud has changed dramatically. It’s now:

- [Enormous](#) in volume
- Initially [associated mostly with PUA](#) and not with “traditional” unemployment payments, although this has changed as criminals have become more familiar with how to exploit both kinds.
- Perpetrated by criminal actors conducting large-scale fraud, not individuals claiming an extra hundred dollars here and there

And in contrast to benefits theft, states aren’t at all prepared to catch and stop it.

# **POLICY CHANGES DURING THE PANDEMIC HAVE MADE IDENTITY THEFT MUCH EASIER**

Preventing identity theft fraud requires effective identity verification. **States have always had ineffective identity verification methods.** State identity verifications for unemployment benefits have never been subject to any standards or oversight.

But this weakness was rarely exposed, because in order to qualify for unemployment prior to the pandemic, you also had to prove your connection to your former employer, including wage verification records. This verification step effectively served to strengthen identity verification, since it was difficult and cumbersome to:

- Steal identities at scale **and**
- Fake their employment histories **and**
- Get the former employers to corroborate the verification

## **PUA removed the need to verify a claimant's former employer.<sup>4</sup>**

Pandemic Unemployment Assistance (PUA) opened the door to rampant fraud by removing the need to verify someone's connection to an employer or wages. Applicants simply self-certified that they had been employed.

Now, all that was standing between imposters obtaining benefits payments fraudulently was states' identity verification systems. And because these identity verification methods didn't work, there was nothing standing between criminals and the benefits.

## **Easy access to personally identifiable information makes large-scale identity theft possible.**

Thanks to decades of data breaches, criminals can buy large databases of high-quality personally identifiable information (PII) such as names, social security numbers, addresses, and passwords. This makes it very easy for fraud syndicates to submit large numbers of false claims.

## **Fraudsters who use data stolen from government sources are more likely to pass automated checks than legitimate applicants.**

Real people mistakenly enter their name as "Kathy" when their legal name is "Kathryn" and get flagged, but fraudsters have the correct legal name in their files from the start. It is easy for criminals with spreadsheets of stolen data to fraudulently apply for and receive billions in benefits. Meanwhile, real claimants often cannot get past the front door.

# STATES ARE CURRENTLY USING FRAUD- PREVENTION STRATEGIES THAT DO MORE HARM THAN GOOD

Almost all anti-fraud measures make legitimate applications more difficult in some way for some claimants. Poorly designed ones can reject more legitimate applications than they ever stop in fraud. While the current focus on fraud prevention and reduction is understandable, even more emphasis and resources are needed to increase access for eligible and legitimate workers in need.

Some of the issues that can lead to a legitimate claim getting flagged as fraud today include:

- Sharing an IP address, mailing address, or bank account with another claimant
- Having a name that is misrepresented in state databases
- Making mistakes in gathering the required documentation, which may have been haphazardly supplied or incorrectly filed by their employer in the first place.

In cases where there is no criminal intent and the issue is caused by poorly conceived requirements, weekly certification questions, or data errors, it's disingenuous and harmful to categorize the applicants as "fraudsters."

## Common anti-fraud methods are based on false assumptions.

### Addresses

- There will never be more than 2 claimants living at one address. (In fact, households with more than 2 working adults are common.)
- A lot of mail going to one address must be fraud. (It may be general delivery, a reservation, a shelter, or an apartment building.)
- People don't move, and address changes are suspicious. (People experiencing unemployment are all the more likely to be experiencing housing insecurity, and may be crossing state lines to find stable housing and/or childcare.)
- Legitimate claimants work in one place, file a claim from the same place, and receive their mail and benefits at the same place. (Especially during the pandemic, people moved for a variety of more- and less-voluntary reasons.)
- Claimants from Canadian IP addresses are OK, but claims from Mexican IP addresses are fraudulent. (This is racist.)

### Bank accounts

- No one shares a bank account with another person. (They do.)
- Everyone has a bank account. (They don't.)

- People rarely change bank accounts. (Some people move their bank account frequently to take advantage of bonuses and promotions.)

## And some others

- [A real last name has more than 2 letters](#). (There are around 100,000 Americans with the surname ‘Wu’ alone.)
- Real employment histories consist of a sequence of jobs in the same industry or profession. (In real life, workers are displaced from industries all the time. In fact, the same workforce agencies often provide just such retraining and placement services.)
- Some states mark an application as fraudulent simply because it is incomplete, or if the claimant simply did not respond to an identity verification request, or if a piece of mail is returned as undeliverable.

## Going back to processing all claims manually isn’t the solution.

Manual claims processing, at scale, harms the populations who most need unemployment benefits:

- If all claims are processed manually, claim processing time will be unacceptably slow. This means real claimants who need help *today* would have to wait months for a decision.<sup>5</sup>
- Manual claims processing is directly contradictory to other North Star goals like same-day benefits payments for the unemployed, which can make the difference between putting food on the table, avoiding eviction, and even preventing suicide.
- The identity verification step was entirely manual up until the pandemic. It was demonstrably slow, with backlogs measuring hundreds of days, and openly racist.<sup>6</sup>
- Most importantly, there’s no reason to believe that manually reviewing claims is any more effective at catching fraud.

Instead, we should focus on ways to design effective, and largely (but not entirely) automated, identity verification and claims processing methods that serve *all* populations, and actively measure whether all populations are achieving equitable outcomes.<sup>7</sup>

## Many real people will not be able to get benefits unless we start fighting fraud effectively.

As of this writing, the majority of states have withdrawn from the PUA program, many citing fraud as a reason to discontinue delivering these benefits. This leaves many gig and freelance workers struggling to make ends meet as the pandemic grinds to its end. Some vendors, including large banks, have withdrawn from participating in unemployment benefits programs, citing fraud, which limits states’ ability to deliver the benefits even if they want to.

Paying fraudulent claims is obviously not good for taxpayers, or for the employees and employers who paid into unemployment insurance accounts. But **fraud has [cast a shadow over unemployment](#)**

benefits as a whole.

## WE ALREADY KNOW HOW TO FIGHT THIS MASSIVE INCREASE IN IDENTITY FRAUD.

**The federal government has already largely solved the issue of identity verification for preventing identity theft.** Federal agencies must follow NIST guidelines<sup>8</sup> for building secure online accounts for applying for and managing benefits like taxes<sup>9</sup>, Social Security benefits, Veteran disability compensation, and more. These agencies aren't suffering newsworthy breaches every day, **because these standards for preventing identity theft fraud work.**

### If states adhered to federal guidelines for identity verification, identity theft fraud would all but stop.

When individual states have adopted federal identity verification standards, their fraud rates fell significantly. Colorado calculated that 87.4% of its PUA claims were fraudulent after adopting a NIST-compliant identity verification process.<sup>10</sup> In Arizona, a staggering 99% of PUA claims may have been fraudulent,<sup>11</sup> a trend which reversed immediately after adopting a federally-compliant identity solution.

Once we stop the firehose of identity theft, we can then measure the next highest buckets of fraud and implement measures to identify those bad actors (including those who operate across state lines). For example, identity verification alone wouldn't prevent a prisoner (who is really themselves—not an identity thief) from committing benefits theft, even if the law says unemployment benefits cannot go to a prisoner. But this volume will be a small fraction of the current identity theft fraud.

While this is addressed in NIST guidelines already, we want to particularly call out how laughably ineffective it is to use Social Security Numbers for identity verification. They have all been stolen—multiple times. The criminals have them in well-organized spreadsheets. They are not private information any longer, and to continue to treat them as such complicates matters. Any state using social security numbers as a means of identity verification should stop, immediately.<sup>12</sup>

### Stricter identity verification doesn't need to prevent real claimants from getting through.

As we explain in the [identity verification section](#), federal guidelines provide significant flexibility for serving claimants who:

- Are unbanked or underbanked
- Lack digital access
- Can't pass automated identity verification steps for legitimate reasons and require a higher level of service

# THE WAY FORWARD IS FAIR, EFFECTIVE IDENTITY VERIFICATION

Our recommended balance is to follow federal guidelines, but actively design for underserved populations,<sup>43</sup> and then measure how effectively these groups are able to accurately pass identity verification. If issues are discovered, work to design solutions.

## **We need an accurate way to measure the effectiveness of fraud prevention efforts.**

The only way to prevent all fraud is to stop the distribution of all benefits. All real-life financial systems tolerate some amount of risk. Unemployment systems need to weigh the amount of risk of overpayment they are willing to tolerate, relative to other risks, like underpaying real claimants or not paying desperately needy people for months.

Reports of how many fraudulent claims have been filed and how many have been successfully blocked are murky due to a lack of a standard, or transparent, means of measurement. Some states block all foreign IP addresses (including Mexico and Canada, where plenty of legitimate claimants live) and declare all claims attempted from foreign IP addresses to be fraud. Others count all incomplete applications as fraud. This isn't accurate.

The variables contributing to a risk score must:

- Be transparent — no “black box” algorithms that just cloud racism
- Consider all populations (e.g., unbanked/underbanked)
- Weigh the risk of *not* serving real claimants in need
- Incorporate a wide variety of variables, not simply blocking foreign IP addresses

## **Demonstration projects can help states refine national tools for fighting UI fraud.**

The National Association of State Workforce Agencies (NASWA) operates the Integrity Data Hub<sup>14</sup> on behalf of the U.S. Department of Labor. NASWA operates multiple mandatory services within the Integrity Data Hub that likely prevent some fraud, such as the National Directory of New Hires Cross-Match and the Quarterly Records Cross-Match. As of this writing, they are credited with preventing \$243 million in improper payments. But current estimates are that more than \$400 *billion* in fraudulent claims were paid out.<sup>15</sup>

To better understand existing fraud-prevention tools, we recommend state [demonstration projects](#). These projects would determine:

- How effective existing NASWA tools are, and where they can be replaced or improved to deliver improved outcomes

- Benchmark measures for determining where and how these tools impact fraud
- Ensure that they aren't negatively impacting benefits delivery to real claimants

## Prioritize fraud detection and prevention when designing new benefits.

The people behind PUA believed they were doing a good thing for millions of Americans. But they didn't anticipate how decoupling unemployment benefits from wage verification would also make it trivial for criminals to extract billions of dollars.

As policymakers design benefits in the future, the early design process should consider how to **equitably** detect and prevent fraud.

If we don't put this sort of planning into the design of future benefits, the perceived threat of fraud may prevent the very existence of critical benefits during difficult times.

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Go to the next section: [Identity Verification](#)

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## NOTES

1. "The OIG has opened over 15,000 investigative matters related to the pandemic. The vast majority of these matters involve identity theft related UI fraud. In response to this unprecedented amount of potential UI fraud, the OIG hired 22 additional special agents, a 20 percent increase in field investigative staff. In addition, our special agents prioritized their case inventory so that 75 percent of the investigative workload was focused on UI fraud. Prior to the pandemic, UI fraud made up approximately 10 percent of the investigative workload. The OIG's investigative efforts have directly resulted in the identification and recovery of over \$100 million in fraud involving the UI program. In addition, OIG special agents assisted in the identification and recovery of over \$565 million in fraudulent UI benefits." Pandemic Response Oversight Plan, p2  
[https://www.oig.dol.gov/public/oaprojects/DOL\\_OIG\\_Updated\\_Pandemic\\_Response\\_Oversight\\_Plan.pdf](https://www.oig.dol.gov/public/oaprojects/DOL_OIG_Updated_Pandemic_Response_Oversight_Plan.pdf)  

2. "A new phenomenon created more confusion. Before the pandemic, most cases of fraud in the UI system consisted of claimants misrepresenting the facts in order to get a larger benefit amount. During the pandemic, the predominant type of fraud has been false identification: as of this report, there are approximately 50,000 UI claims with questionable identity characteristics. The federal rules require that notice be given to these individuals, but it is not possible to contact a claimant who is fraudulent or is a bot. This is just one example where state and federal laws were not up to the unprecedented

challenges of the pandemic. As context, in the regular UI system, the employer serves as a deterrent to fraudulent benefit claims. If an employer disagrees with a claimant's eligibility for the program or a false claim is filed, they can file an appeal. In the PUA system, there is no employer of an independent contractor to review the claim and disagree with the application for benefits. Also, Nevada has no state income tax, and so the state had no way to validate to see whether an individual had self-employment income or not." - Nevada Strike Force Report

[https://cms.detr.nv.gov/Content/Media/Strike\\_Force\\_Report\\_2021\\_FIN.pdf](https://cms.detr.nv.gov/Content/Media/Strike_Force_Report_2021_FIN.pdf) ↩

3. [https://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_23-20.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_23-20.pdf) ↩

4. While there are examples of unemployment benefits in the past that were not tied to wages, these amounts were very small: \$25 per week. During the COVID-19 pandemic, \$600 per week over an extended period of time made it very profitable to invest in filing fraudulent claims. ↩

5. No state has enough trained claims processors to process all claims manually in an acceptable time period. In reviewing GAO and IG reports from past recessions, every employment agency cites inadequate staffing to meet increased demand. In fact, in reports during *non*-recession times, agencies also report long-standing training, staffing, and retention challenges. There is no evidence that employment agencies can achieve the staffing levels necessary to process all claims manually in a timeframe that also delivers benefits quickly to those who need them most. ↩

6. <https://www.newamerica.org/pit/reports/unpacking-inequities-unemployment-insurance/a-focus-on-fraud-over-accessibility-the-punitive-design-of-ui> ↩

7. "Human equity is when outcomes are not predictable based on someone's identities or characteristics (e.g. race, sexual orientation, gender identity, ability status, etc.)." - Equity-Centered Community Design Field Guide ↩

8. <https://pages.nist.gov/800-63-3/sp800-63-3.html> ↩

9. The IRS account breach involved user accounts that were not compliant with these standards. The IRS has since adopted them. ↩

10. <https://sites.google.com/state.co.us/uidailydashboard/home?authuser=o> ↩

11. <https://des.az.gov/sites/default/files/media/newsrelease-11-19-2020-DES-Expands-ID-me-Identity-Verification.pdf?time=1622851639590> ↩

12. Using SSNs to verify that a claimant is not deceased may still be a valid use, but not for identity verification. The key here is that *knowledge* of a SSN is not a secret, so it should be treated similarly to a phone number: fine to ask and use it where needed, but knowledge of your phone number should not be all that's needed to get into your bank account or redirect your IRS tax refund. ↩

13. EO **requires**: The head of each agency, or designee, shall conduct such review and within 200 days of the date of this order provide a report to the Assistant to the President for Domestic Policy (APDP) reflecting findings on the following:

(a) Potential barriers that underserved communities and individuals may face to enrollment in and access to benefits and services in Federal programs;

(b) Potential barriers that underserved communities and individuals may face in taking advantage of agency procurement and contracting opportunities;

(c) Whether new policies, regulations, or guidance documents may be necessary to advance equity in agency actions and programs; and

(d) The operational status and level of institutional resources available to offices or divisions within the agency that are responsible for advancing civil rights or whose mandates specifically include serving underrepresented or disadvantaged communities.

AND

(a) Within 1 year of the date of this order, the head of each agency shall consult with the APDP and the Director of OMB to produce a plan for addressing:

(i) any barriers to full and equal participation in programs identified pursuant to section 5(a) of this order; and

(ii) any barriers to full and equal participation in agency procurement and contracting opportunities identified pursuant to section 5(b) of this order.

(b) The Administrator of the U.S. Digital Service, the United States Chief Technology Officer, the Chief Information Officer of the United States, and the heads of other agencies, or their designees, shall take necessary actions, consistent with applicable law, to support agencies in developing such plans. ↩

14. <https://www.naswa.org/integrity-center/integrity-data-hub> ↩

15. <https://www.axios.com/pandemic-unemployment-fraud-benefits-stolen-a937ad9d-0973-4aad-814f-4ca47b72f67f.html> ↩

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# Identity Verification

Identity verification is a mission-critical component of fraud prevention in unemployment. However, done incorrectly, it can also be a huge driver of inequitable access to benefits.

## **REQUIRE FEDERAL NIST IAL2/AAL2 IDENTITY VERIFICATION FOR ALL UNEMPLOYMENT CLAIMS.**

States should be prohibited from using non-compliant identity verification methods such as manually reviewing photocopies of drivers' licenses, comparing Social Security numbers, etc. NIST has also forbidden the use of Knowledge-Based Authentication since 2017,<sup>1</sup> due to the prevalence of data breaches that have made it trivial for criminals to write scripts that can pass these checks and commit identity theft at scale.

States that continue to use these methods could be held liable for the resulting identity theft fraud, while states adhering to federal guidelines could be eligible for some relief in instances of resulting identity theft. This shifts the burden of maintaining up-to-date identity verification standards to NIST, where they belong, and not to individual, state-level workforce agencies that don't have the expertise needed.

### **Social security numbers aren't proof of identity.**

It's particularly important that state agencies stop using social security numbers as proof of identity. For decades, SSNs have been inappropriately used as IDs by schools, medical providers, banks, credit bureaus, and nearly every other application imaginable. Dozens of these mass databases have been compromised and leaked online. The result is that SSNs are effectively public information. They can't serve as a "something you know" or "secret" factor in standards such as AAL2.

# TAKE STEPS TO PREVENT IDENTITY VERIFICATION STANDARDS FROM HARMING HISTORICALLY UNDERSERVED COMMUNITIES.

In addition to being NIST IAL2/AAL2 compliant, U.S. DOL could require<sup>2</sup> that identity verification solutions for unemployment:

- Have a pathway for the unbanked and underbanked, who can't pass identity "quizzes" that rely on credit histories
- Have in-person options for verifying identity, such as UPS stores (currently used for verifying foster parent identities) or VA hospitals (currently used for in-person identity proofing for access to VA benefits). Per [REAL ID requirements](#), in-person applicants without a valid ID (e.g. with an expired license) can use their birth certificate for identity verification.<sup>3 4</sup>
- Have an [escape hatch](#) to access a trained human<sup>5</sup> (NIST calls them "trusted referees"),<sup>6</sup> with a reasonable wait time, call back, or appointment scheduling feature. The VA has been using [trusted referees](#) since 2019.
- Have the ability to confirm identities same-day (whether automated or with trained humans), enabling a North Star goal of [same-day payments](#).
- [Accept all names](#)
- Enable federated trusted identities — if you already completed compliant identity proofing with another government agency (e.g., the DMV), this allows you to re-use that identity to apply for unemployment instead of having to repeat the process (Bonus: This is also a cost savings for the government, which now only has to pay for identity proofing once per person, instead of once per person per benefit line.)
- Retain the *fact* that an individual's identity was verified, and follow [NARA document retention guidelines](#) for retaining copies of the underlying identity documents.

## Incentivize identity verification vendors to help real people.

Identity verification vendors should only get paid when they successfully verify an individual's identity, aligning incentives for vendors to find more solutions to help more real people through (while remaining standards-compliant).

## Monitor identity verification vendors for bias.

U.S. DOL should measure outcomes across demographics for identity verification vendors,<sup>7</sup> in collaboration with NIST. NIST already leads work on [bias in identity verification algorithms](#). They could engage the [Algorithmic Justice League](#) for assistance.

NIST could also encourage an [algorithmic bias “bug bounty” program](#) similar to security bugs, giving people a pathway to report algorithmic bias and to track the resolution of reported incidents.

## DETERMINE THE BEST TIMING FOR IDENTITY VERIFICATION USING A DEMONSTRATION PROJECT.

Some states have made identity verification the very first step, while others allow people to get further in the process first.

Of the states that have adopted federally-compliant identity verification during the pandemic, some require all claimants to complete it, while others only send claimants with higher risk scores, or only PUA claimants, through it. [The demonstration project](#) should explicitly measure equitable outcomes, looking for areas where real claimants may be discouraged or stopped from progressing, and fixing them.

### Identity verification and undocumented workers

Undocumented workers aren't currently eligible for unemployment benefits, even if they have identity documents that can pass federal verification standards. No solution is likely at the federal level, because of immigration politics and the likelihood that any federal data on undocumented workers will eventually be used for purposes other than intended.

If unemployment benefits were to be extended to the undocumented workers, there are promising solutions to support benefits for undocumented workers at the state level. (Even then, we caution strongly against developing a database of undocumented individuals.) New York's

[Excluded Worker Fund](#) is one example, partnering with community organizations to distribute funds based on proof of income.

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Go to the next section: [Wage Verification](#)

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## NOTES

1. “Although commonly used by federal agencies for remote identity proofing, knowledge-based verification techniques pose security risks because an attacker could obtain and use an individual’s personal information to answer knowledge-based verification questions and successfully impersonate that individual. **As such, NIST’s 2017 guidance on remote identity proofing effectively prohibits the use of knowledge-based verification for sensitive applications.** The guidance states that the ease with which an attacker can discover the answers to many knowledge-based questions and the relatively small number of possible responses cause the method to have an unacceptably high risk of being successfully compromised by an attacker.” - GAO <https://www.gao.gov/assets/gao-19-288.pdf> ↩
2. U.S. DOL already requires myriad identity verification requirements, listed on page 20 here: [https://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_16-20\\_Change\\_4.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_16-20_Change_4.pdf) ↩
3. USPS is a logical partner here, which could provide identity verification in post offices and offer rural in-person remote proofing by postal workers. ↩
4. With additional training, DOL could provide in-person identity proofing options at DOL offices. ↩
5. <https://www.fedscoop.com/id-brings-virtual-identity-proofing-va/> ↩
6. IRS uses Certified Acceptance Agents to verify documents for ITINs ↩
7. <http://proceedings.mlr.press/v81/buolamwini18a/buolamwini18a.pdf> ↩

# Wage Verification

## VETERANS

### **Newly separated military (individuals who are now veterans) experience unnecessary delays in receiving their unemployment benefits.**

Newly separated military are eligible for unemployment insurance. In order to process veteran unemployment claims, states need verification about their service from the U.S. Department of Veterans Affairs (VA). Specifically, they need to verify each veteran's:

- Character of discharge
- Record of service
- Pay grade

Many states get this information by requiring veterans to submit form DD-214 with their application for unemployment. Veterans in these states have to complete paper applications or undergo a manual claim process in order to submit the required extra form, causing delays in their benefits.

### **There is a much faster, efficient solution: the VA Veteran Verification API.**

The VA Veteran Verification API provides the same information found in form DD-214 electronically — and automatically — from the VA on VA.gov. Using this API, states can fully automate wage verification for newly-separated veterans:

- [Access the Veteran Verification API](#)
- Look under service\_history
- Select the fields discharge\_status, pay\_grade, and deployments

## **Option for states that use ID.me**

The VA uses ID.me for verified veteran accounts, and creating a VA.gov account with ID.me is part of formal military separation procedures. The VA could explore allowing states that use ID.me for unemployment benefits to access a ‘verified Veteran indicator’ or similar.

## **Tip for calculating the potential ROI**

California knows exactly how many veterans attempt to file electronically, but who are subsequently stopped and told to file on paper, because its Office of Digital Innovation installed Google Analytics and used it to track visits to the specific error page where they inform veterans to send their DD-214 via mail. Other states looking to calculate the ROI on integrating with the VA API could use this approach.

## **Recommendation for the federal government**

We recommend that DOL encourage states to implement this strategy by raising the visibility of the easy, time-saving API process. The VA could support the effort by developing a “how to” page specific to unemployment benefits.

# **FEDERAL CIVILIAN EMPLOYEES**

## **Newly separated federal civilian employees experience additional delays in receiving their unemployment benefits.**

Newly separated federal civilian employees are eligible for unemployment benefits. At separation, every federal employee is given forms SF-8 and SF-50 to document their federal employment. In many states, former federal employees are required to file on paper or undergo a manual claim process in order to submit these additional forms. This delays their benefits.

**There must be a better strategy.**

The employment status and wage history of a federal employee appears to be publicly available data, as websites like [FedsDataCenter.com](http://FedsDataCenter.com) request and post it publicly annually. This suggests that the U.S. Office of Personnel Management (OPM) likely has the ability to generate a data file with the information states to process unemployment claims.

## Tip for calculating the potential ROI

California knows exactly how many federal civilian employees attempt to file electronically, but who are subsequently stopped and told to file on paper, because its Office of Digital Innovation installed Google Analytics to track visits to their specific federal employee error page. Other states looking to calculate the ROI on integrating with a future OPM API could use this approach.

## Recommendation for the federal government

We recommend that OPM develop a Web service (API) that provides the data states need to verify federal employment. This would facilitate a faster, automatic process for employment verification and reduce delays in benefits for newly separated federal civilian employees.

## W2 EMPLOYMENT

States reported they were generally able to confirm in-state W2 wages on a quarterly basis through their existing tax systems, and that this process is running smoothly and largely automated.

Many states expressed an interest in the IRS taking a role in wage verification, though there were some concerns that the information wouldn't be timely (since W2 employees only file taxes once per year). We recommend this for a [demonstration project](#), including working with states to identify current gaps in W2 wage verification that a central IRS [shared service](#) could address, speed up, and/or further automate.

An IRS wage verification shared service demonstration project could be incorporated into the [central unemployment account demonstration project](#).

## GIG EMPLOYMENT

As described earlier, the lack of wage verification associated with filing Pandemic Unemployment Assistance (PUA) claims was the “open door” to unforeseen levels of fraud. As of January 2021, new PUA claims now require wage verification documentation.<sup>1</sup>

## **Requiring wage verification documents creates new problems for some workers.**

For W2 employment, states have long-standing connections to tax and unemployment insurance systems that largely automate the confirmation of recent in-state wage data. In the gig economy, which makes up an estimated 36% of the labor market,<sup>2</sup> there is a much wider variety of acceptable documentation, none of which is automated. This causes a significant amount of unclear manual work on the part of both claimants and workforce agencies, and therefore delays in awarding PUA benefits to claimants.

### **Document uploaders can help, but not much.**

Solutions like document uploaders help alleviate mail delivery wait times and processing, but those delays are minor relative to the time needed to assess and process such a wide variety of wage verification documents. Without strong processes in place, forging these documents at scale won't be difficult (and indeed may already be happening).

### **There are some promising ideas.**

One promising pilot we heard in this space is with Steady,<sup>[26]</sup> which has the technology to instantaneously verify income for gig workers. It does this by connecting to individual claimants' bank accounts (even if they switch accounts frequently, which is common among gig workers) and automatically parsing historical deposits for self-employment income that matches the known patterns for gig employers.

Faking historical bank deposits going back for months would be significantly more difficult than forging documents, increasing protections against falsifying income records to conduct [benefits fraud](#).

## **Explore automated, accurate wage verification for non-W2 workers using a demonstration project.**

Automated, accurate wage verification for non-W2 workers should be a demonstration project. The goal should be maximally automating the wage verification process for people with various types of employment, while protecting against fraudulent activity. The pilot may want to incorporate the existing Steady pilots to explore the possibility of a central [shared service](#) for gig worker wage verification.

# CROSS-STATE WAGES

With a workforce that's increasingly remote and mobile, the need to verify cross-state wages will only increase. While large states like California have a smaller percentage of their claims with cross-state wage issues, geographically mobile areas like New England, the DC/Maryland/Virginia area, and Pennsylvania (where multiple major cities in other states touch their border) experience them regularly.

## The U.S. DOL requires states to verify cross-state wages.

“States are required to participate in arrangements for combining an individual's wages earned in other states. Section 3304(a)(9)(B) of FUTA requires, as a condition for employers in a state to receive up to a 90 percent tax credit against their Federal unemployment tax liability.”<sup>3</sup>

## There are significant drawbacks to the current system for verifying cross-state wages.

States exchange data about a claimant's out-of-state wages using the [InterState Connection Network \(ICON\)](#)<sup>4</sup> system, which is run by the National Association of State Workforce Agencies (NASWA). ICON digitizes cross-state requests, but it doesn't confirm timely follow-ups or responses.<sup>5</sup>

There are 2 main drawbacks to this:

- There's no way for individuals to proactively check their data in ICON. They have to file an unemployment claim, at which point a claims processor queries ICON for cross-state wages.
- Claims from individuals with cross-state wages require some manual processing and can't be fully automated. This limits any state's ability to develop [elastic capacity](#).

## Recommendation for the federal government

One proposal to address these issues would be for the U.S. DOL to pilot an online individual unemployment account, similar to online Social Security and Internal Revenue Service accounts. This would allow any individual to check their cross-state wages and correct inaccuracies *before* ever applying for unemployment. The new use case for this wage data would uncover any underlying data issues, allowing the involved systems to resolve them outside of the chaos of a pandemic.

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Go to the next section: [Claimant Experience](#)

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## NOTES

1. [https://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_16-20\\_Change\\_4.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_16-20_Change_4.pdf) ↩
2. <https://www.cnbc.com/2020/12/28/op-ed-more-covid-stimulus-unemployment-fraudsters-will-prey-on-it.html> [^26]: <https://www.cnbc.com/2020/12/28/op-ed-more-covid-stimulus-unemployment-fraudsters-will-prey-on-it.html> ↩
3. [https://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_23-20.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_23-20.pdf) Page 5 ↩
4. “ICON is an umbrella term that reflects 3 different data transactions” - NASWA ↩
5. <https://usdr.gitbook.io/unemployment-insurance-modernization/ui-journey-map/the-agency-journey/validate-monetary-eligibility> ↩

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# Claimant Experience

## APPLICATION EXPERIENCE

When it's easy for people to apply for unemployment with the right information, it's easier — and faster — to process their claims. Improving the experience of applying for unemployment is a low-cost, high yield strategy that many states have used to:

- Increase claim processing speed
- Decrease the need for customer service
- Increase claimant satisfaction

Here are some of the key things to keep in mind when you update your state's application process.

### **Make sure people can find your unemployment website.**

**Optimize search results to lead claimants to the state unemployment website.** In Michigan, the team heard early in their research<sup>1</sup> that the first thing claimants do when they're laid off is Google search 'Michigan Unemployment.' To help ensure that claimants find accurate information quickly, optimize search results to lead claimants to the state unemployment website. This should also eliminate some of the misinformation that is currently spread through unverified online sources.

For tips on how to make sure your content is findable, [check out this article on SEO from digital.gov](#).

### **Design for the people who are hardest to reach.<sup>2</sup>**

*“Designing for the 10%. An important principle we consider is to design policy for the 10% of the population that is hardest to reach. We believe that by designing for those who are hardest to serve and most in need, the policy will work better for everyone. This means approaching policy design with an equity lense from the outset.”<sup>3</sup> — *New America Foundation**

If you start by addressing the needs of the people you have the hardest time reaching, you'll be able to develop a process that works for everyone. The UI application process in most states has been cobbled together over years, rather than designed from start to finish. These processes are artifacts of decades of changes, merges, and updates.

## Tip

To help your team design a new UI application process [create a service design blueprint](#).

## Provide clear guidance during the application process.

Well-designed benefits [prepare and guide people through a complex process](#). Provide examples to help guide an applicant's understanding of a question. UI applications often ask claimants to find specific numbers like an EAN or FEIN. These numbers can be found on a W2 or tax documents, but that isn't indicated on the application and claimants often end up confused about how to find them.

The application itself may need to be restructured, following [best practices from commonly-used complex forms like healthcare.gov](#).

Recent efforts in several states suggest some promising improvements to the application process.

## Unemployment landing page

Redesign the unemployment landing page to draw attention to the most important information for each user group. The Michigan landing page was redesigned during the pandemic and the team heard it made a significant difference in improving the overall experience for claimants and employers.<sup>4</sup>

[Civilla](#) and the [New America Foundation](#) made the following recommendations for the Michigan unemployment program based on research with claimants. We're using them here with permission, so that other states can benefit from the guidance.



## Simplified application with help text

*Simplify the language on the unemployment application and add help text to answer claimant questions while they are filing.*

Today, a lot of common questions are answered in UIA's FAQs rather than through "just in time" guidance when claimants need it most. A simplified application with help text would significantly improve the claimant experience, decrease call volume, and help mitigate errors. Additionally, UIA should integrate the application for PUA (or similar programs) with the UI application. This way, claimants would not need to get denied from UI and then re-apply to PUA.<sup>5</sup>



## Confirmation page

*Design a confirmation page that shares clear next steps with claimants, including how to upload documents to verify their identity.*

Many claimants assume that once they submit their claim, the rest is up to UIA. But this is not the case. A confirmation page would help claimants follow through on documentation requirements and speed up processing for UIA staff.<sup>6</sup>



## Monetary determination letter

*Redesign the Monetary Determination letter and File Protest form.*

If approved or denied, claimants should receive a redesigned Monetary Determination letter, with simple language and clear next steps. The letter should be packaged with a redesigned File Protest form that explains the steps claimants can take to protest the decision or the benefit amount. Currently, these forms are difficult for claimants to understand and generate a high volume of calls for the agency.<sup>7</sup>



## Reminder text messages

*Implement text messages to remind claimants of the actions they need to take and direct them to the MiWAM portal for case updates.*

Text message reminders would help claimants complete benefit requirements and recertify every two weeks once they're approved.<sup>8</sup>



## Benefits exhausted/extended letter

*Redesign the Benefits Exhausted/Extended letter.*

When a claimants' benefits are exhausted or extended, they should receive a redesigned letter in the mail that notifies them of their exhausted benefits and provides clear next steps. [P12](#)

## UIA-1711

*Redesign the UIA-1711 to help claimants understand how to file a claim and prepare them for the process to come.*

The UIA-1711 is a document that employers should give to employees when they are laid off. It includes the business EAN and FEIN numbers, as well as 'reason for separation,' which are required in order to file a claim. Currently, many businesses do not use this form and it's poorly designed. Redesigning the UIA-1711 would help claimants understand how to file a claim and prepare them for the process to come.<sup>9</sup> (While this form is specific to Michigan, the concept could be applied elsewhere.)

## Document upload

California and Vermont added [document upload functions](#)<sup>10</sup> during the pandemic so claimants didn't have to mail in associated documents. New Jersey's existing use of Salesforce enabled them to expand what documents they could collect and what answers they could receive through the Salesforce uploads.

Ideally, the upload capability allows users to take a photo of a document from a mobile phone.

## Benefits wizards

[New Jersey developed an unemployment benefit wizard](#)<sup>11</sup> to help people familiarize themselves with the process and eligibility criteria ahead of time. This benefit wizard helps people understand what unemployment programs they might be eligible for, but also helps them navigate all New Jersey benefits, such as paid family and medical leave and paid sick days, that all form part of the "safety net" during the pandemic. It was developed with technical expertise from USDR and the NJ Office of Innovation.

## Conduct regular usability testing with members of the public.

[Usability testing should be an ongoing process](#) in every state,<sup>12</sup> and always done with enough time before a release to incorporate changes based on participant feedback.

A few words of guidance for usability testing:<sup>13</sup>

- Current employees and claims processors aren't proxies for real users, because they know too much about how the system works.
- Test the complete, end to end experience with a variety of possible claimants.<sup>14, 15</sup>
- Make sure to include participants who represent historically underserved groups, including participants with disabilities.
- Use a [staging environment that mirrors production](#) to enable robust, end to end usability testing without having to use production data or resources.

## Encourage employees to explore the system, too.

State and federal U.S. DOL employees — including the governor — are always encouraged to try out the end-to-end process of filing for unemployment. While they don't represent average users, it's important for them to understand what claimants experience.

## Provide more than one way to apply.

Every state must have an easy-to-use digital interface for applying for unemployment. While not everyone *can* use digital, if **everyone** is forced to call in and speak to a human to finish filing their claim, the people with limited or no digital access will have almost no chance of successfully getting through and filing. An effective digital experience frees up staff to help those without digital access (or with complex cases).

Some states, like Wisconsin, Florida,<sup>16</sup> and New York, have eliminated paper applications, requiring either digital or phone applications. A [demonstration project](#) around an optimized applicant experience should study application methods and determine whether a high-functioning, file-by-phone interface can replace paper.

## Communicate, communicate, communicate.

The Center for Law and Social Policy (CLASP) recommends “expanding the depth and breadth of communication by a factor of 10,”<sup>17</sup> citing that agencies regularly underestimate the amount of information and communication that claimants need. Proactive, accurate communication can stave off stress on behalf of the applicant, errors, and even unnecessary follow-up phone calls.<sup>18</sup>

For example, make sure your site autosaves applications during the process and warns users when a session will end.

# CLAIM STATUS

To reduce contact center volume and increase claimant satisfaction, make it easier for claimants to track their own claim status. Many states, such as North Carolina and Oklahoma, have successfully improved these metrics by creating new and improved ways for claimants to check their claim status and receive proactive claim status updates.

## There are some basic requirements for a successful claim status tracker.

These include:

- Self-service (via the Web, mobile, chat, and phone)
- Plain language explanations of claim status and what to expect next
- Clear action steps for claimants when they need to take action
- Proactive “push” updates (by email or SMS)

“Online portals should give claimants a clear picture about what their claim status is—not just for their peace of mind, but also to relieve pressure on phone lines.”<sup>19</sup> - *NELP*

“In a recent discovery sprint on UI claim status, Nava’s user research concluded that communicating with claimants every step of the way would decrease anxiety and reduce load on call center staff.”<sup>20</sup> - *Nava Public Benefit Corporation*

## Here are a few success stories from states that provide clear information about claim status.

- [California sends SMS updates to claimants](#) as their claim moves through the system, when their first payment processes, and when action is needed by the claimant, such as to recertify for benefits.
- Rhode Island invested significant time in the user experience of its claims tracker — colloquially referred to as “the Dominos pizza tracker” — to help ease the load on the mainframe and the contact center from claimants trying to understand more about their status. The underlying technology for its claims tracker also enabled self-service recertifications.
- In North Carolina, more than 30% of calls related to claim status. In roughly 3 weeks, they built one source of truth for a claim status that could be accessed over the Web, via chatbot, or phone (via IVR system). If a claimant calls in and the IVR gives them a claim status that requires action on their part, they are automatically promoted to the front of the call agent line to complete the outstanding task without having to wait on hold. From the end of May to September, 2020, claimants used the automated phone claim status service 650,000 times, with fewer than 2% of those calls requiring action from a call agent.

**You don’t have to overhaul your whole system in order to provide better updates.**

“Agencies should iterate toward a complete status-checking experience — they shouldn’t try to do it all at once. E.g., it’s impactful to show someone their initial application status even if you can’t yet show weekly certification status or vice versa, or to show that a weekly certification was deemed eligible even if you can’t yet show how much/whether they have been paid.”<sup>21</sup> - *USDR*

Multiple states successfully used the [strangler pattern](#) to launch claim status trackers in weeks alongside (not within) the mainframe. Claim status updates don’t have to be real-time; syncing status once a day (with clear messaging about when the update happens, so claimants don’t refresh the page in frustration all day) with the mainframe can be plenty adequate.

## RECERTIFICATION

In order to continue receiving unemployment benefits, claimants need to “recertify” that they’re still eligible for benefits. Recertification is the process for claimants to notify the unemployment office that they:

- Are able to work
- Looking for work
- Have not yet secured new employment

Claimants have to answer questions about each individual week on either a weekly or biweekly basis, depending on the state.

“Determining whether an individual is not entitled to any other UC for a week requires states to confirm whether the individual has met the requirements to receive UC for that week.”<sup>22</sup> — *U.S. Department of Labor*

### **States need to provide more than one way to recertify.**

Just as people should be able to file for their initial unemployment claim via their mobile phone, they should also be able to recertify via mobile. Some states have mobile responsive websites for recertifying, and some have created a capability for recertifying via text message.

“A tool that makes this process as easy as possible is critical to minimizing the administrative burden on recipients and keeping people enrolled in benefits.”<sup>23</sup> — *Nava Public Benefit Corporation*

At a minimum, claimants should be able to recertify by:

- Web self-service
- Mobile Web self-service
- Text message ([See how Ohio allows claimants to recertify by text message.](#))
- Automated phone system (IVR)

## Old technology isn't a barrier to providing automated recertification.

Whatever your current technology is, the National WIC Association found<sup>24</sup> that existing technologies, however old, are not a barrier to developing automated recertification methods. Many states have used the [strangler pattern](#) to quickly build new recertification tools for claimants that sync to the back-end system at a regular cadence.

For example, Rhode Island's recertification process was initially connected *directly* to its back-end As/400 system, so only 74 people at a time could use it. However, up to 200,000 Rhode Islanders could be recertifying at any given time. Within 10 days, they were able to work with Amazon Web Services Connect to build a scalable automated recertification system. As an added bonus, this new system gave them data insights into the times and volumes that people were recertifying.

## Make sure that claimants can understand the questions you ask.

USDR research found that many claimants were confused by the questions on the recertification form.<sup>25</sup> Additionally, in support of a more claimant-friendly, plain language process, many people we spoke with suggested renaming “recertification” to a simpler term.

We encourage states to [prioritize using clear, plain language](#) for all communications..

## Send reminders to recertify.

When a claimant doesn't recertify in a given week, it may be because they've returned to work, they don't know that they have to, or that they simply forgot. Forgetting is complicated by the fact that some states have narrow windows of time in which to recertify in a given week.

States can make recertifying much simpler by simply [sending reminders](#) , preferably in a format chosen by the claimant (such as email or SMS). [Louisiana is one state that sends text message reminders.](#)

# ENSURING ACCESS

In addition to removing universal barriers to enrollment, we need focused efforts to remove barriers that disproportionately affect specific groups. While we have tried to include an equity lens in every section of this report, here we want to touch on a few specific improvements states can make to let in more eligible applicants.

## Stop rejecting real people based on their real name.

Most unemployment benefit applications reject people based on their **real** name, preventing them from moving forward.

We compiled a list of [real names that can't make it through many applications](#). We encourage every unemployment director to work through this list with their teams to ensure that all of these real individuals can apply for benefits. (This list would apply to any benefit application, not just unemployment.)

Rhode Island is addressing this issue by collecting the claimant's real name in the application and transforming it silently into a second field in the background to store in its aging As/400 system. It uses the original name whenever possible, and only uses the transformed name in the background where required due to legacy system constraints.

## Revisit how you're blocking foreign IP addresses.

Many states we spoke with reported blocking claimants from all foreign IP addresses except for Canada. When prompted to explain why they didn't also allow claims from Mexico, they didn't have answers. Either block both, or unblock both.

Also, make sure you have an [escape hatch](#) for claimants who are eligible for UI but who are, for various reasons, currently outside of the United States.

## Don't block claimants just for frequently changing their information.

We learned from experts that many people, in particular gig workers, can change bank accounts on a *weekly* basis to take advantage of sign-up bonuses available from an increasing number of digital banks. Claimants may also have to move frequently due to housing instability caused by their unemployment, or change phone numbers frequently because their accounts are shut off for non-payment or they can only afford prepaid phones.

## Don't block claimants just for having the same contact information as other people.

Blocking shared addresses, phone numbers, and bank accounts doesn't consider common, real-world situations like:

- Multigenerational households
- Homeless or domestic violence shelters
- The tendency for mainframe computers to sometimes cut off the apartment number and make 50 different apartments seem like “the same” address for large apartment buildings

## **Use available data to measure equitable access to benefits.**

Many states reported that they weren't approved to ask demographic questions like race and ethnicity in their unemployment benefit applications, so they couldn't track outcome measures. Rhode Island found a clever workaround to this by starting its unemployment application with the work search profile, which *does* have demographic information. This allowed Rhode Island to look for disparities from the very start.

As you identify disparities, you can use an [integrated command center model](#) to conduct a root cause analysis and prioritize equitable outcomes.

According to a report by the National Employment Law Project (NELP):

“Dr. William Spriggs pointed out in his recent testimony to the House Oversight and Reform Committee’s Select Subcommittee on the Coronavirus Crisis, the states slowest to set up the IT infrastructure to pay Pandemic Unemployment Assistance were more often states with higher populations of Black workers. He also analyzed access data from the height of the spike in new claims and found that Black workers were far more likely to be unable to apply. Application rates across races were similar, but Black males were half as likely to receive unemployment compensation as white men, and Black women were about a third as likely to actually receive compensation compared to white women. This is unacceptable in a pandemic that is disproportionately costing Black, Latinx, Indigenous, and other workers of color’s lives.”

“UI was established in 1935 on the heels of the Great Depression to help those involuntarily out of work during an economic downturn and to be responsive to mass economic catastrophe in the future. The program was built with white men in mind and excluded a great deal of Black people who were domestic and agricultural workers (as is true of most New Deal programs). The exclusions were geographically targeted to workers in the South and West: Nearly half of all Black men, Mexican American men, and Native American men and women were excluded, plus significant numbers of Asian American workers as well. Significantly, the greatest harm was felt by Black women—9 out of 10 were excluded.

“Although many excluded occupations were added to the program later, the program still does not provide equal access to all workers. However, during the pandemic, this program has been especially important for workers of color. According to the Congressional Budget Office, 47 percent of workers receiving UI in July are workers of color. This includes 16 percent of Black workers, 14 percent of Latinx workers, 10 percent of white workers, and 14 percent of other workers.[3] Given the staggering racial wealth gap, delays in payments have a devastating effect on Black families.[4] But it does not have to be that way. With some conscious efforts to build a system that looks at the challenges that the most underserved face, we can build a system that works for everyone, now and into the future.”<sup>26</sup>

Please read [Unpacking Inequities in Unemployment Insurance](#) for more.

# Unpacking Systems of Inequity in UI

- 1 UI excluded a majority of Black and Brown workers, through the exclusion of agricultural & domestic workers when it was created in 1935.
- 2 Over the years, UI has been undermined by inaccurate & harmful beliefs about poor workers & workers of color and claims that it discourages work. Lawmakers use these myths to further restrict or gut benefits programs.
- 3 Efforts to modernize UI without rooting out the racism that's baked in have further disenfranchised already vulnerable workers. (ex: Digital Divide)
- 4 When applying for UI, there are other systems that hurt Black, Brown, and poor workers and act as additional roadblocks — like where you live (The South has less generous benefits) or work search requirements.
- 5 As a result, Black & Brown workers are less likely to be helped by these systems, making it harder to overcome periods of unemployment.
- 6 UI exists in the context of a carceral system and society that punishes Black, Brown, and poor people, further giving way to the belief that these workers are trying to defraud the system.
- 7 As a result, we end up with a complex web of interdependent systems each enshrined with racism and all working against BIPOC and poor people.

NEW AMERICA

## ESCAPE HATCHES

When you add a block or obstacle to your process to stop fraud, you must have a corresponding **escape hatch** so that real applicants still have a path forward.

You must also protect the escape hatch from abuse and fraud.

Some examples:

**Obstacle:** We block foreign IP addresses from accessing our unemployment application.

**Who this harms:** Claimants who moved outside the country to live with family; seasonal workers; claimants living close to borders.

**Escape hatch:** Route foreign IPs to a trusted referee.

**How to protect this escape hatch:** Trusted referee can thwart automated scaled attacks.

**Obstacle:** We require IAL2/AAL2 identity verification to create an account (before you can access the unemployment application).

**Who this harms:** Claimants who legitimately cannot pass identity verification for valid reasons, such as an expired license.

**Escape hatch:** Trusted referee or in-person identity verification. Per [REAL ID requirements](#), a claimant can prove their identity with just their birth certificate in person (but not remotely, given how easily it could be compromised at scale).

**How to protect this escape hatch:** Trusted referee and in-person identity verification can thwart automated scaled attacks.

**Obstacle:** We block claims associated with any mailing address associated with a known fraudulent claim.

**Who this harms:** Claimants living in shelters or unhoused claimants using general delivery; claimants with roommates; claimants in boarding houses.

**Escape hatch:** Instead of automatically blocking addresses based on volume, review addresses to confirm they are not shelters, apartment buildings, etc. These addresses could be targeted by fraudsters, further harming the real claimants who live there. Route applicants to trusted referee.

**How to protect this escape hatch:** Trusted referee can thwart automated scaled attacks.

**Obstacle:** A claimant's complex employment history results in an exception processing their claim, and it is rejected but may be strictly eligible per the rules (but that are not adequately modeled in the system).

**Who this harms:** Real claimants with complex employment histories

**Escape hatch:** This may be accounted for in adjudication and/or appeals workflows, but an escape hatch might also be a quick, prioritized call or chat with someone that can quickly unblock them such that they are not waiting days or more to learn of the resolution.

**How to protect this escape hatch:** *Please suggest more escape hatches!*

## PLAIN LANGUAGE

If your unemployment team is spending most of their time on activities like these, this section is for you:

- Fielding a high volume of calls from people who are frustrated and confused by the unemployment process
- Explaining the difference between response options like “hours reduced” and “temporary shut-down”
- Helping claimants undo application mistakes that have caused delays in their benefits

By creating plain language content, you can improve the user experience for the public **and** reduce the labor-intensive consequences of a system that's difficult to navigate.

## Some states are already taking steps to improve communication about unemployment insurance.

### California

UI claimants who read the plain language [Guide to applying for unemployment benefits](#) are 2 to 4 times more likely to successfully submit a claim.<sup>27</sup>

### Michigan

In late 2020, Civilla and New America collaborated to investigate opportunities to improve claimants' experiences with Michigan's unemployment system. Here's one of several examples of terms that confused users that they heard about in their research:

## “Why can’t they just say you’re eligible? Why do they need to say you’re ‘determined not ineligible’.” - *Claimant*<sup>28</sup>

To summarize their findings, Civilla and New America developed 3 reports that include best practice recommendations. While the details are specific to Michigan, all UI programs could improve claimants’ experiences by following recommendations for clear communication like:<sup>29</sup>

- Provide a confirmation page to tell users when they’ve successfully submitted a UI application
- Tell people what they need to do next at each stage of the process
- Send text messages to prompt people to take actions like recertifying
- Put the most important information at the top of every communication — from the application to follow-up letters requesting additional information
- Use bullets, not paragraphs<sup>30</sup>

### **Pennsylvania**

USDR built [a plain language guide](#) to help claimants understand the confusing process around benefits year.

### **Several states**

Several states have created glossaries to explain UI terms. Here are a few examples:

- [Arizona’s glossary of UI terms](#)
- [Iowa’s UI terms and definitions](#)
- [Massachusetts’ glossary of UI terms](#)
- [Nevada’s glossary of UI terms](#)
- [Wyoming’s glossary of UI terms](#)

### **Washington**

[New legislation](#) requires the agency to use “plain language, tested on claimants for comprehensibility, in all letters, alerts, and notices.”

### **Wisconsin**

The Department of Workforce Development (DWD) has seized on plain language as a strategy for reducing the UI backlog.<sup>31</sup> So far, they’ve updated the UI portal to make it easier to use and started rolling out phases of a plain language initiative.<sup>32,33</sup>

## **Recommendation for the federal government**

We recommend that DOL create plain language resources to help state unemployment programs better serve the public.

- **Plain language glossary** that provides consistent, clear alternatives to current jargon
- **Transadapted** versions of the glossary in key languages — transadaptation is different from translation, because it ensures that the original meaning in English is maintained (instead of a word for word translation)
- A **central plain language team** that can rapidly develop approved material that goes along with new, timely policy and procedure changes like [UIPLs](#) .

In addition to sharing these resources with states, DOL can post them on its [plain language page](#) to continue building out this section.

## TRANSADAPTATION

Using an automated translation service like Google Translate to convert English unemployment content into other languages isn't adequate. Machine translation provides a word for word replacement. To create multilingual content that people understand, you need **transadaptation**.

Transadaptation prioritizes creating content that has the same meaning as the original — which is rarely if ever just the equivalent of translating each word into the new language. To provide claimants with unemployment content that's actionable and understandable in other languages requires skilled, multilingual translators and content creators.

California has successfully used this approach for [GetCalFresh](#), and Oregon has made its unemployment content available in 16 languages and counting.

U.S. DOL's [UIPL 02-16](#) requires: "Vital documents and/or information must be translated. A document and/or information will be considered vital if it contains instructions or guidance that are critical for obtaining services and/or benefits, or is required by law."

### Recommendation for the federal government

A recommendation for U.S. DOL is to launch a central team of multi-lingual support for transadapting vital unemployment documents and information. This team could generate "Babel notices" which are brief directions in a variety of languages pointing someone to the transadapted resources. This way, clear and well-written unemployment content can be available in a wide variety of languages, without requiring each state to independently resource their own teams.

“Another key consideration is that civil rights laws require that states translate their websites and applications into Spanish and other commonly spoken languages. Right now, an unemployed worker with limited English skills may have no choice but to file an application over the phone with an interpreter. With so many seeking help, workers are stuck on hold for hours when they manage to get past a busy signal. It would be more efficient to translate the online materials and ensure equal access.”<sup>34</sup> - *NELP*

## ACCESSIBILITY

States websites and application processes must be 508/WCAG compliant and fully usable for members of the disability community. Claimant experiences that work for people with varying abilities, including those who need assistive devices or services (like TTY phone support), ultimately work better for *everyone*.

When standard customer support channels break down, those who need accessible services are hurt most. In California during the pandemic, the TTY customer support line was inundated with calls from claimants who couldn't get through on the main phone line, rendering it unusable for those who needed it most.<sup>35</sup>

U.S. DOL's UIPL 02-16<sup>36</sup> requires states to have accessible claimant experiences.

[Michigan's recommended redesign of its unemployment claimant experience](#) focused on accessibility, using large tap targets, large text, and wide buttons for its mobile interface.

## MOBILE ACCESS

States with [instrumentation](#) have found that the *majority* of claimants are accessing unemployment benefits from mobile devices. Many individuals with limited or no computer access still have mobile smartphones, and need to be able to complete all unemployment-related self-service tasks with it.

“More people have mobile phones than desktop or laptop computers, and public access to computers has vanished in an era of social distancing. Low-wage workers and workers of color are particularly likely to rely on their phones for Internet access. While more than 80 percent of white adults report owning a desktop or laptop, fewer than 60 percent of Black and Latinx adults do. States must also allow workers and employers to email documents or upload them from their phones.”<sup>37</sup> — *The Century Foundation*

[Michigan’s proposed mobile-first approach](#) to redesigning its safety net and its [mobile unemployment interface designs](#) can serve as a model for the unemployment space. An easy-to-use, plain language, accessible mobile interface benefits everyone on mobile — and everyone on other devices as well. And the more individuals who can and want to use self-service are able to do so successfully, the more that scarce high-touch human interactions can focus on those claimants who can’t or don’t want to use self-service.

When Virginia first launched its mobile interface, it received positive feedback and had 50,000 registered new users within the first 2 days.

“Similarly, unemployment websites and applications must be mobile-responsive. More people have mobile phones than desktop or laptop computers, and public access to computers has vanished in an era of social distancing. Workers in low-paid jobs and workers of color are particularly likely to rely on their phones for Internet access. While more than 80 percent of white adults report owning a desktop or laptop, fewer than 60 percent of Black and Latinx adults do. States must also allow workers and employers to email in or upload documents from their phones. Believe it or not, some states are still asking workers to fax in documents. Whatever options and support materials state agencies provide to apply for unemployment insurance programs need to account for accessibility and language translation. And according to federal law, states need to offer a way other than online filing if there are technology hurdles that would “interfere with a claimant’s access in applying for benefits.”<sup>38</sup> — *NELP*

Every state should have all major unemployment benefit tasks available via *at least* a mobile interface, and preferably, a mobile app, including:

- Applying
- Checking claim status
- Recertifying
- Identity verification

## CROSS-BENEFITS

Unemployment benefit interfaces should also educate claimants about other benefits they may be eligible for, and where possible, simplify the process for applying for them.

### **Michigan asked claimants about the appeal of cross-benefits.**

The following content is from a report by [Civilla](#) and the [New America Foundation](#) and used with permission:<sup>39</sup>

#### **Claimants are open to and in need of additional information about what benefits they are eligible for.[^69]**

When posed with prototype messaging about MDHHS benefits, claimants were encouraged to apply. One claimant described, “If UI said, ‘Hey, your unemployment benefits haven’t kicked in yet. Here’s a link to additional benefits so that you can feed your family...it would be really nice.’”

“Claimants experience a “ping pong” effect — they apply and are often approved for MDHHS benefits but are kicked off as soon as UI kicks in.”

“Food benefits are essential, but strict eligibility means most claimants will be kicked off of the program when they start to receive UI.”

There are two key moments when it would be helpful to remind UI claimants to apply for MDHHS benefits:

- The first moment is when claimants are waiting for their UI benefits to kick in.
- The second is when their UI benefits are closing.

### **California provided UI applicants with information about food assistance.**

When California merely added a *link* to apply for SNAP benefits from the unemployment portal, California experienced a historically-high single day of SNAP applications.

California also worked across agencies to provide clear guidance to SNAP eligibility staff to understand which values on documents verifying UI income (e.g. screenshots from the online UI portal) to use in their own eligibility rules. This was to reduce confusion among SNAP staff who were less familiar with the complex program details of UI income support.

## **Make sure there's "No Wrong Door"<sup>40</sup> for people who need benefits.**

“Rhode Island, South Carolina, and some counties in North Carolina each established a goal of integrating the intake process for customers seeking assistance through multiple programs—a concept referred to as “no wrong door”—and ultimately having “universal workers” who can process applications and other transactions for multiple programs.”<sup>41</sup> — *The Urban Institute*

Given high risk of eviction during the pandemic, Arizona rerouted its rental assistance program through social services, so that someone who was eligible for SNAP was also notified of eligibility for rental assistance. In Philadelphia, the government ran rental assistance through an adjacent nonprofit to maximize cross-benefit delivery opportunities.

## **PASSWORD RESETS**

Password or PIN resets were cited as reasons for high call volume in states where individuals couldn't reset them on their own. In Massachusetts alone, some 40% of call volume was PIN resets. North Carolina successfully provided self-service PIN resets during the pandemic to prevent claimants from having to wait to get through to a human on the phone to do it.

We recommend that every state provide instant password/PIN reset self-service. This service should follow best practices so that a malicious bot cannot intentionally try and fail to reset every user's password, thus locking all users out of the system.

“As is true for other government IT systems, states should update their password reset protocols. In some states, workers must be mailed a new password; in others, staff cannot process claims because they are busy answering phone calls about password resets. Technology exists for states to implement secure password reset protocols that do not require action by the agency, which saves time for everyone.”<sup>42</sup> — *The National Employment Law Project (NELP)*

## REASON FOR SEPARATION

In Michigan, a top complaint among unemployment applicants was [confusing separation reasons](#). Many of the reasons listed are similar to each other and end up confusing claimants. Claimants must differentiate between ‘hours reduced’ and ‘temporary shutdown’, ‘fired’ and ‘laid off’, etc.

For example, one gentleman declined to take an *extra* shift at work, and his boss told him not to come back. From his perspective, he was fired. From his boss’s perspective, he quit. Which is correct?

## RECOMMENDATIONS FOR THE FEDERAL GOVERNMENT

Developing a single, easy-to-understand list of separation reasons would be an ideal [demonstration project](#). User researchers and plain language content creators could work together with U.S. DOL and at least one state to develop a new taxonomy for separation (perhaps with an associated glossary), mapped clearly to policy. Then all states could adopt it after U.S. DOL approves it.

From a policy perspective, there’s also an open window for increased consistency. [NELP recommends](#) that “[g]ood cause to quit should be uniform across states, so workers fleeing domestic violence, following a spouse whose job has moved, or whose work jeopardizes their health and safety should be able to resign and receive UI.”

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Go to the next section: [Payments](#)

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# NOTES

1. <https://docs.google.com/document/d/1nBPDEa8l8RSrKgm2o8cx6RO7xYkEN7nyp1yVfGg6OXk/edit?ts=6061ef4a> Page 11 ↩
2. “executive departments and agencies (agencies) must recognize and work to redress inequities in their policies and programs that serve as barriers to equal opportunity.” - [EO](#) Definition of equity in EO: “(a) The term “equity” means the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality.” ↩
3. <https://www.newamerica.org/new-practice-lab/racial-equity-framework/blog/the-new-practice-labs-racial-equity-framework/> ↩
4. <https://docs.google.com/document/d/1nBPDEa8l8RSrKgm2o8cx6RO7xYkEN7nyp1yVfGg6OXk/edit?ts=6061ef4a> p11 ↩
5. <https://docs.google.com/document/d/1nBPDEa8l8RSrKgm2o8cx6RO7xYkEN7nyp1yVfGg6OXk/edit?ts=6061ef4a> p12 ↩
6. <https://docs.google.com/document/d/1nBPDEa8l8RSrKgm2o8cx6RO7xYkEN7nyp1yVfGg6OXk/edit?ts=6061ef4a> p12 ↩
7. <https://docs.google.com/document/d/1nBPDEa8l8RSrKgm2o8cx6RO7xYkEN7nyp1yVfGg6OXk/edit?ts=6061ef4a> p12 ↩
8. <https://docs.google.com/document/d/1nBPDEa8l8RSrKgm2o8cx6RO7xYkEN7nyp1yVfGg6OXk/edit?ts=6061ef4a> p12 ↩
9. <https://docs.google.com/document/d/1nBPDEa8l8RSrKgm2o8cx6RO7xYkEN7nyp1yVfGg6OXk/edit?ts=6061ef4a> ↩
10. <https://adhoc.team/2021/06/11/transforming-unemployment-insurance-systems/> ↩
11. <https://adhoc.team/2021/06/11/transforming-unemployment-insurance-systems/> ↩
12. Working with real users: “With the additional funding should come strong federal oversight and enforcement, including tangible requirements that the modernization process include input from stakeholders (including workers and their advocates) from beginning to end, and comprehensive user testing that ensures participation from Black people who are faced with the most barriers, and all communities of color; those on the other side of the digital divide; people with limited English proficiency; and people with disabilities.” (<https://www.nelp.org/publication/from-disrepair-to-transformation-how-to-revive-unemployment-insurance-information-technology-infrastructure/>) ↩
13. One resource guide: <https://www.nngroup.com/articles/usability-testing-101/> ↩
14. <https://usdr.gitbook.io/unemployment-insurance-modernization/identity-proofing-vendor-comparison/race-and-inequity-in-identity-proofing-methods/recommendation-2-increase-accountability-for-ensuring-rightful-claimants-make-it-through-the-system> ↩

15. “The single strongest recommendation in this report is for states to place their customers at the center of a modernization project, from start to finish. The biggest mistake states made was failing to involve their customers—workers and employers—at critical junctures in the modernization process. This led to systems touted as convenient and accessible, but which claimants often found challenging and unintuitive. Customer-centered design and user experience (UX) testing are widely accepted best practices in the private sector, and should be a core part of any UI modernization effort.”  
<https://tcf.org/content/report/centering-workers-how-to-modernize-unemployment-insurance-technology/> ↩
16. Florida’s adoption of a mandatory online claim-filing system and virtual elimination of filing by telephone, long the primary method of filing, disenfranchised thousands of UI claimants who could not successfully navigate the complex and unwieldy online application. [NELP](#) ↩
17. “Expand the depth and breadth of communication by a factor of 10. People leading change often underestimate how much communication is needed. This is especially true in public sector agencies, where managers and caseworkers are overwhelmed. Just because state leaders are communicating well doesn’t mean the target audience is hearing the message” [p17](#) ↩
18. “Communication vacuums are likely filled with misinformation. For state officials with limited resources and high demands on their time, skipping over communication to do “the real work” of implementing new federal mandates, responding to high customer volume, or managing the new crisis each day (the “real work”), is understandable and even expected. Leaders may only be prompted to prioritize communication when a crisis makes doing so absolutely necessary. But lack of communication and guidance can cause staff to act on their assumptions or not act at all, which will exacerbate or create issues. States learned that misinformation and frustration from lack of guidance are difficult to correct and turn around. “ [p17](#) ↩
19. <https://www.nelp.org/publication/from-disrepair-to-transformation-how-to-revive-unemployment-insurance-information-technology-infrastructure/> ↩
20. <https://blog.navapbc.com/to-reimagine-unemployment-insurance-services-start-small-8c93eb4f1eea> ↩
21. <https://usdr.gitbook.io/unemployment-insurance-modernization/ui-journey-map/the-claimant-journey/know-my-claim-status> ↩
22. [https://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_23-20.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_23-20.pdf) ↩
23. <https://blog.navapbc.com/to-reimagine-unemployment-insurance-services-start-small-8c93eb4f1eea> ↩
24. [https://s3.amazonaws.com/aws.upl/nwica.org/wic-technology-landscape-\\_final-report-design.pdf](https://s3.amazonaws.com/aws.upl/nwica.org/wic-technology-landscape-_final-report-design.pdf)  
Section 5.3 ↩
25. <https://usdr.gitbook.io/unemployment-insurance-modernization/ui-journey-map/the-claimant-journey/certify-weekly> ↩
26. <https://www.nelp.org/publication/from-disrepair-to-transformation-how-to-revive-unemployment-insurance-information-technology-infrastructure/> ↩
27. <https://www.govops.ca.gov/wp-content/uploads/sites/11/2020/09/Assessment.pdf> , page 49 ↩
28. [https://docs.google.com/document/d/1yCqeyJeKOViz9iBS02m7r\\_ZncB9L9fOQwghqrqXwEbM/edit](https://docs.google.com/document/d/1yCqeyJeKOViz9iBS02m7r_ZncB9L9fOQwghqrqXwEbM/edit) ↩

29. <https://docs.google.com/document/d/1nBPDEa8l8RSrKgm2o8cx6RO7xYkEN7nyp1yVfGg6OXk/edit?ts=6061ef4a> ↩
30. [https://docs.google.com/document/d/1yCqeyJeKOViz9iBS02m7r\\_ZncB9L9fOQwghqqrqXwEbM/edit](https://docs.google.com/document/d/1yCqeyJeKOViz9iBS02m7r_ZncB9L9fOQwghqqrqXwEbM/edit) ↩
31. [https://madison.com/wsj/business/wisconsin-creating-plain-language-unemployment-applications-in-effort-to-address-claims-backlog/article\\_988d3fed-2ea3-5e63-9067-d3637cc2ba44.html](https://madison.com/wsj/business/wisconsin-creating-plain-language-unemployment-applications-in-effort-to-address-claims-backlog/article_988d3fed-2ea3-5e63-9067-d3637cc2ba44.html) ↩
32. <https://dwd.wisconsin.gov/press/210330-claims-portal.htm> ↩
33. <https://dwd.wisconsin.gov/uibola/uiac/materials/2021/20210520meeting.pdf> ↩
34. <https://www.nelp.org/publication/from-disrepair-to-transformation-how-to-revive-unemployment-insurance-information-technology-infrastructure/> ↩
35. <https://www.govops.ca.gov/wp-content/uploads/sites/11/2020/09/Assessment.pdf> ↩
36. [https://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_02-16.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_02-16.pdf) ↩
37. <https://tcf.org/content/report/centering-workers-how-to-modernize-unemployment-insurance-technology/> ↩
38. <https://www.nelp.org/publication/from-disrepair-to-transformation-how-to-revive-unemployment-insurance-information-technology-infrastructure/> ↩
39. <https://docs.google.com/document/d/1k4kroHsfBBFOvtSHnvjTyn6tGMldyudB92UEJl735J8/edit?ts=607dd3b8#heading=h.r6opfd5aks2> [<sup>69</sup>]:  
[<https://docs.google.com/document/d/1k4kroHsfBBFOvtSHnvjTyn6tGMldyudB92UEJl735J8/edit?ts=607dd3b8#heading=h.r6opfd5aks2>]  
(<https://docs.google.com/document/d/1k4kroHsfBBFOvtSHnvjTyn6tGMldyudB92UEJl735J8/edit?ts=607dd3b8#heading=h.r6opfd5aks2>) ↩
40. “States also sought to align policies across work support programs to reduce administrative burdens on families eligible for more than one program. States established processes for cross-program review of new policies, aligned the timing of benefit redeterminations so families could renew benefits for two or more programs at the same time, and used electronic data to autoenroll SNAP recipients in Medicaid. By streamlining and aligning policies—or as an interviewee in one state put it, “reducing duplicative requests for the same paperwork”—states found they could improve outcomes for workers and clients. For more information on how WSS states changed policies to streamline access to work supports, see Isaacs, Katz, and Kassabian (2016).”  
<https://www.urban.org/research/publication/findings-work-support-strategies-evaluation-streamlining-access-strengthening-families> ↩
41. <https://www.urban.org/research/publication/findings-work-support-strategies-evaluation-streamlining-access-strengthening-families> ↩
42. <https://www.nelp.org/publication/from-disrepair-to-transformation-how-to-revive-unemployment-insurance-information-technology-infrastructure/> ↩

# Payments

## PAYMENT METHODS

In order to provide accessible unemployment benefits, it's important to provide payment options that:

- Work for unbanked and underbanked claimants
- Include digital options

### **Provide payment method options that work for unbanked and underbanked claimants.**

To make benefits accessible, states need to offer multiple ways for people to receive their payments. **States should have [multiple payment method options](#), and allow claimants to choose the one that works best for them.**<sup>1</sup> Our research suggests that many states currently have the flexibility to leverage digital payment options, which speed up payment delivery times and are more accessible to the underbanked and unbanked.

**Every unemployment system should have an option for the unbanked<sup>2</sup> or underbanked<sup>3</sup> to receive payment in a timely manner.**<sup>4</sup>

Unemployment was the third-highest provider of prepaid debit cards in 2019, after SNAP and SSA. Debit cards carry lower administrative fees for recipients and administering programs.<sup>5</sup> [But debit cards don't work for everyone.](#)

Mailing unemployment benefits as a check could be an option for claimants to choose, but shouldn't be a default. For the unbanked, cashing an unemployment check could cost upwards of \$110.<sup>6</sup>

### **Vet promising new digital payment methods carefully.**

Before you use a new digital payment distributor, be sure to note limitations like daily payment maximums. And require all distributors to provide a customer service function.<sup>7</sup>

## **Lesson from the field**

Michigan piloted delivering benefits payments via Cash App, in response to requests from claimants. Claimants could get payments instantly and didn't need bank accounts. However, the state learned that the app has a payment maximum, which some claimants exceeded due to the accumulation of back-pay. Because Cash App doesn't have a customer service center, those large payments were stuck in limbo.

## **Don't allow payment vendors to set additional restrictions.**

Some states reported that their payment vendors took paternalistic steps beyond those required by the contract.<sup>8</sup> For example, one state shared that their payment vendor blocked recipients who used a prepaid debit card at a casino, even though they may simply have used it there to buy lunch. The same vendor also blocked those who withdrew large amounts of cash at once, which is sometimes necessary to cover back-pay or other large, urgent expenses.

As part of your agreement with vendors, prohibit them from adding their own restrictions to what recipients can spend unemployment benefits on.

## **Have a plan for replacing stolen or lost benefits.**

For every payment method, you'll need a clear plan for how recipients can receive a secure replacement for a lost or stolen payment.

## **Don't require claimants to wait for a mailed debit card.**

Many people we spoke with reported that they felt vendors were slow to mail out debit cards. Because shipping costs aren't included in payment vendor contracts, the banks had no motivation to rush or overnight replacement cards — a standard practice for traditional credit card customers.

## **Recommendation for the federal government**

Consider using [demonstration projects](#) to explore options like:

- Issuing temporary payments via Western Union, like it's possible to do with SSDI
- Pushing a replacement payment to a digital wallet
- Guidelines for new kinds of payment vendors
- Determining how to measure if payment providers are effective

# OVERPAYMENTS

*We did not collect any overpayments success stories from states or partners, but would love to hear them.*

## TIMELINESS

[Payment timeliness causes tremendous stress](#) among unemployment beneficiaries. Even “timely” payments — which most states struggle to meet in non-pandemic times — allow for 3 weeks between application submission and first payment. And this 3-week window doesn’t include the time it can take for a payment method like a debit card to be delivered.

“Recipients surveyed by Propel reported that P-EBT helped them keep food on the table as they waited to receive Unemployment Insurance (UI). The UI systems in many states were overwhelmed by the scale of job loss during the pandemic, and it often took weeks for the checks to arrive.”<sup>9</sup>  
— The New America Foundation

### **U.S. DOL provides guidance on expectations for timely payments.**

CFR (Code of Federal Regulations) 640.3, interpretation of section 303(a)(1) of the Social Security Act: require states to determine eligibility and make payments “with the greatest promptness that is administratively feasible.”<sup>10</sup>

Also, states must continue to pay claimants if there is a question of their ongoing eligibility and the state isn’t able to resolve it in a timely manner.<sup>11</sup> “If the state agency cannot make an eligibility determination before the date of a timely payment, the state agency “presumes the claimant’s continued eligibility until it makes a determination otherwise.”<sup>12</sup>” We found many states were *not* adhering to this rule, to the detriment of claimants.

### **Other benefits lines, like SNAP, show that it’s possible to provide same-day benefits.**

“In some cases, clients are now able to receive benefits on the same day they apply...The most dramatic and consistent changes were in the percentage of applications processed on the same day they were received... The percentage of same-day SNAP applications processed in Rhode Island increased from 10 percent in mid-2011 to 30 percent in early 2015. In Colorado, this number more than doubled, from 15 percent in winter 2013 to 32 percent in summer 2015. Illinois also saw notable improvement in same-day service, from 13 percent in 2012 to 21 percent in 2015. Idaho already provided same-day service to 71 percent of SNAP applicants before WSS but saw a small increase to 72 percent by the end of the initiative.”<sup>13</sup>

## Recommendations for the federal government

We recommend a [demonstration project](#) and success metric of same-day benefits payments to as many unemployment applicants as possible. As demonstrated across other benefit areas, it is administratively feasible for states to make same-day payments. Same-day payments will drive increased automation and the streamlining of policy.

In determining timeliness measures, we recommend that U.S. DOL include a more expansive group of claimants. Today, if you're disqualified prior to the first payment timeliness marker, you don't appear in the timeliness metric. Visibility into the percentage of disqualified claimants over time can surface potential discrepancies or inconsistencies with state policies.

The demonstration pilot would have to address and work through the risk of overpayments, which may be addressed by improved, real-time wage data instead of waiting until after someone applies for unemployment to pursue verification with an employer. Policy changes are also likely needed to address states where the first week of unemployment isn't compensable.

Once there's a new definition of timeliness — informed by the demonstration project — we recommend that U.S. DOL make new technology grants contingent on meeting this new definition.

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## Go to the next section: [Claim Processing](#)

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# NOTES

1. Some states are actually fining restaurants that don't offer multiple payment options: <https://www.cnbc.com/2018/12/13/nyc-nj-target-cashless-businesses-alleging-bias-against-the-poor.html> ↩
2. Around 1 in 9 New Yorkers do not have bank accounts <https://www.nbcnewyork.com/news/coronavirus/very-hard-to-get-by-how-the-pandemic-has-affected-unbanked-new-yorkers/2959385/> ↩
3. McKinsey 2017 nearly half of Black households are underbanked or unbanked [link](#): “Banks in black neighborhoods require customers to deposit an average of 60 percent of their paychecks to avoid fees or account closures, compared with just 28 percent in white neighborhoods—a consequence of both higher bank fees and lower incomes.<sup>15</sup> As a result, many black households rely on alternative financial services, such as check-cashing services, payday loans, money orders, and prepaid credit cards, all of which typically charge high fees. Over the course of a financial life, those fees can add up to an estimated \$40,000.<sup>16</sup> These obstacles and the distrust they engender make even the simplest transactions a challenge for black families.” ↩
4. “According to a 2017 survey by the Federal Deposit Insurance Corporation, 25 percent of U.S. households are unbanked or underbanked, meaning that they don't have bank accounts nor access to banking services.” ([link](#)) ↩
5. “Ten benefit programs carried \$136.2 billion in prepaid loads during 2019, but only incurred \$152.7 million in costs among all government distribution channels.” Mercator Advisory Group, December 2020. This amount is overwhelmingly ATM fees. ↩
6. [https://danachisnell.com/wp-content/uploads/2020/08/Report\\_-\\_Barriers-pain-points.pdf](https://danachisnell.com/wp-content/uploads/2020/08/Report_-_Barriers-pain-points.pdf) ↩
7. <https://www.newamerica.org/pit/reports/establishing-emergency-cash-assistance-funds/delivering-cash/> ↩
8. Banks are given files from states to deliver unemployment benefits, so banks are not performing KYC (Know Your Customer) as they would in normal circumstances. ↩
9. <https://www.newamerica.org/pit/reports/it-has-meant-everything-how-p-ebt-helped-families-in-michigan/successes/> ↩

10. [https://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_16-21.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_16-21.pdf) ↩
11. <https://wdr.doleta.gov/directives/attach/UIPL4-01.cfm> ↩
12. [https://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_01-16.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_01-16.pdf) ↩
13. <https://www.urban.org/research/publication/findings-work-support-strategies-evaluation-streamlining-access-strengthening-families> ↩

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# Claim Processing

## WORKLOAD MANAGEMENT

Workload management capabilities are critical to maximizing claim processing time and understanding true hiring gaps. We recommend:

- Implementing an effective workload management tool
- Monitoring the tool regularly
- Preparing to be remote ready (if you aren't already)
- Developing a more efficient training program for new hires

## Other states can replicate California's effective workload management system.

To get started:

- Make a list of each possible step in the process.
- For each step, estimate the number of minutes it takes a *trained* employee to complete.
  - If you do not track this now, you can quickly develop an estimate by having *trained* employees keep track of the minutes spent during their day over the course of at least two weeks. (Preferably, this exercise should be conducted outside of a high-volume timeframe.)
  - If the task *can* be completed by a newer employee, also estimate their completion time in minutes (which is likely to be longer).
  - Be careful: if experienced employees are burdened with training new employees, their completion times may be elongated.
- For each step, indicate the current volume of claims that are in the step this week.
- For each step, indicate the current number of available employee hours (making sure to distinguish between experienced and newer employees, and making sure to only count employees currently *assigned* to this task) this week. Consider vacation, overtime, etc. Only include employees who are available and qualified to work this step.
- Use spreadsheet formulas to calculate how many days/weeks it will take to complete that step (the number of hours it's estimated to take, divided by the number of available employee hours).
- Use spreadsheet formulas to transfer work to subsequent steps.
  - For example, if you have 100 claims at "Step 1: enter into computer" then all of those 100 claims would then move to the volume in Step 2.
  - If a percentage of claims experience a step (e.g., a determination interview), use historical data to calculate this average. You can refine this over time as your data gets more accurate.

- Move employees around to different steps to see the impact on speed. For example, see how many employees you'd need to assign to "Step 1" to work those claims down on the same day or week.

## Monitor your workload management tool on 2 dimensions.

First, you want to move people off of tasks when there are too many assigned. If you have a backlog of claims awaiting "Step 1" you will probably want to "right size" the number of assigned employees to that task to only the number needed to work it down within one day. (For later steps, you may have a longer window, but moving claims out of "Step 1" quickly should be prioritized.)

Second, you want to update the accuracy of your underlying data. If you estimated that it would take employees an average of 6 minutes each to complete "Step 1" and they're consistently not meeting that target (or consistently meeting it faster), then you need to adjust your underlying time estimate accordingly.

**"The [Nevada] Strike Force worked with staff to develop a Backlog Elimination Plan to organize team efforts, develop a strategy to address the mounting inventory of unemployment assistance claims, prioritize limited resources, identify additional staff and set out plans to train them. Beginning in September, this plan was updated weekly allowing the team to 1) prioritize resources and 2) create a sequence of activities to support the expedited review, payment or denial of outstanding PUA and UI claims."**<sup>1</sup>

This exercise can also help you identify opportunities for automation. For example, many states will discover that their current backlog of determinations interviews will take, literally, a decade to work through. This is impractical. Instead, you could [replace the majority of manual determinations interviews with electronic surveys like New Jersey did](#).

**Scalable: "Other [success] factors states mentioned include a higher degree of automation (i.e., less labor dependence) in initial and continuing claims functions, and less training needed when moving or hiring staff into the claims-taking area than in the more complex areas of adjudication and Appeals."**<sup>2</sup> — *National Association of State Workforce Agencies*

## Effective workforce management also requires being remote ready.

During the pandemic, many claims processors were forced to go into the office because of the lack of remote computing environments, collaboration tools, training materials, or phones. While the pandemic forced many remote workforce developments in many states, not all are completely remote ready. In particular, many states we interviewed cited partners like AWS Connect and Verizon as mission-critical success factors in enabling hundreds or thousands of employees to operate remotely.

## Make sure to include a system for physical mail.

Physical mail continues to play a role in unemployment benefits, including intra-agency mail. Moving to a mail processing system that can scan and disseminate physical mail across the workforce (not to mention send back out physical mail) is a necessary component of being remote ready.

## Develop a new, more efficient way to train new hires.

Many states reacted to the pandemic by hiring hundreds or thousands of new employees. This had the opposite of the intended effect — rather than speeding up claim processing, all of the new hires effectively brought things to a halt. All experienced claim processors had to devote all of their attention to training new staff, who couldn't get up to speed on complex eligibility rules and mainframe computing environments quickly enough. (Not to mention, many state workforces weren't equipped for remote work.)

### These training challenges aren't new.

As states have tried to hire more staff to address increasing claims volume, most found that they couldn't train new hires quickly enough. Many report standard training periods of 6 to 12 months. Further, many claim processing roles are legally required to hold certifications and/or years of experience that require 4 to 12 years of experience, which is an impossible gap to close on a dime.

[In a report to the U.S. DOL](#), NASW indicates that this training challenge has plagued unemployment for decades:

Training new staff members was both important and a major challenge in many, if not all, states, as evidenced by the number of times state officials brought up training despite the interview protocol having no direct questions about training. Florida officials reported, for example, that training new staff was the biggest challenge they faced in ramping up. Nebraska, which nearly doubled its claims-taking staff as the recession hit, described its training schedule as “intensive.” Rhode Island officials noted that when the number of staff tripled in February 2009, the state faced significant challenges with training. Training was necessary not only for staff coming in the door, but for staff moving among positions, and training staff in more specialized areas could require a significant investment of time. For example, officials in Montana noted the state couldn't staff up fast enough in the non-monetary determinations area because it takes four to six months to train a new hire adequately. Maine officials said newly hired staff worked on simpler issues at first, but it often was necessary to elevate these staff with little experience to high-skilled positions, such as adjudication, and more training was then required. This was mirrored in Nevada, which received permission to hire additional referees in 2009 to maintain timely appeals performance, but struggled filling positions because they require significant UI experience. Thus, recent hires were often promoted from examiner to adjudicator after just one week of agency experience. Rhode Island officials noted that during 2010 performance improvements in adjudications were smaller than in some other areas because more than half the persons doing adjudications were recent hires with limited initial knowledge of UI and no initial adjudication knowledge. (p 197 )

In calmer times, we recommend that states review training requirements and processes to:

- Look for ways to train that don't take up the capacity of experienced claims processors (whose expertise is most-needed on real claimants, not new hires, in high-volume periods)
- Revamp training to be remote ready
- Identify ways to expand capacity without hiring a lot of new people at the start of the next recession, like automation for roles that are relatively easy to train for, and [elastic capacity](#) capabilities

## ELASTIC CAPACITY

It's a matter of *when*, not *if*, state workforce agencies experience another surge in unemployment claims. It's not realistic for states to maintain human staffing levels at the level needed<sup>3</sup> to manually process pandemic-level volumes, all the time.<sup>4</sup> Instead, states need to develop strategic "elastic capacity" that can scale up and down with claim volume.

The goal isn't to replace humans with computers. The goal is to protect the rare, experienced eligibility workers so they can focus on complex adjudications and not on tasks like password resets or recertification data entry.

### Start by testing your current elastic capacity.

Use your [workload management plan](#) to perform a tabletop exercise. In a tabletop exercise, leadership representatives from every business line sit around a table and "act out" a scenario like a recession or a pandemic. Adjust the claim volume and staffing ratios to model how well the agency will perform under various possible scenarios. Measure predicted performance by answering questions like:

- How many backlogged claims would there be?
- How long would the call hold time be?
- What would the average processing time be?

Based on recent performance, all states will likely struggle to complete this exercise without issues. Using the tabletop scenario outcomes, you'll be able to prioritize areas of your program that need elasticity. Increasing elastic capacity requires strategic automation.

States can't train new employees to process complex claims quickly.<sup>5</sup> Therefore, states can't solve for increased claims volumes with new hires.<sup>6</sup> Instead, your team needs to employ automation such that **the number of claims that require processing by a human adjudicator doesn't exceed the capacity of current staff to process them within set timeframes.**<sup>7</sup>

For example: If your goal is same-day benefits payments, then your volume of claims that require a human adjudicator can't exceed the number of claims your current staff can process in a single day. Otherwise, mathematically, you will have a growing [backlog](#).

### Automate steps that are best done by computers.

Automation doesn't have to mean a black box algorithm, or even algorithms at all. Instead, agencies can map out their process step by step, and identify where computers can reduce unnecessary burden on highly skilled staff, like:

- [Resetting passwords](#)
- Sending reminders and notifications
- Providing online, [plain language](#) instructions to explain top call center help requests -
- [Automating recertification options for claimants](#)
- [Using surveys in lieu of determinations interviews](#)
- Updating users on their [claim status](#)
- [Verifying claimant identities](#)
- [Verifying wages](#)

### **Automation isn't all or nothing.**

Automated, [self-service password reset](#) is an objectively good idea for every state. Sometimes, a claimant may still need to call and speak with an agent to reset their password. Automating this step will still eliminate almost all of the staff time associated with password resets, while also improving most claimants' experience and preserving human time for those claimants who really need it.

While automation can absolutely [introduce or codify existing biases](#), thoughtful automation can **remove** and/or **expose** bias in a system.

## **Mail processing and printing offer other opportunities for elasticity.**

### **Mail processing**

To scale up or down with claim volume, use a central mailing address. Then employ a team or vendor that can adjust to changing volume and charge by the piece.

### **Printing**

North Carolina implemented a distributed print solution to expand capacity from 1 million pages per month to 1 million pages per day.

## **BACKLOGS**

To keep the focus on user experience, we recommend that states start tracking open applications using consistent, claimant-centered metrics. This will also improve their ability to understand and act on the backlog of pending claims that are overdue. Regardless of whether states share this backlog publicly, submit it to U.S. DOL, or just use it internally, shifting to claimant-centered metrics will fundamentally influence the behaviors of the unemployment system — and the team's sense of urgency.

## **California offers a model that other states can follow.**

Here's how California has started tracking open applications since switching to a claimant-focused approach:

Number of unique claimants with an open claim associated with:

- [Any system used in CA for processing UI claims],
- Customer service messages received electronically or through the call center,  
OR
- Legislative escalations

WITH

an earliest open UI/PUA application submission date of > 21 days prior to today  
(or > 10 days if earliest open claim is Short-Time Compensation)

- AND -

Appeals by unique claimant:

- Lower-level
- Higher-level

- AND -

Unopened physical mail, broken down by piece

## **Using claimant-focused language can improve efficiency and customer service.**

Defining the backlog in claimant-focused language incentivizes other strategies that are key to improving performance.

### **Link claims, appeals, and support cases to individuals.**

This will make it easier to identify a single claimant across all systems. Otherwise, the backlog will appear higher than it really is, a challenge addressed by both [California](#) and [Nevada](#) <sup>8</sup> strike teams.

### **Track claimants who haven't recertified in the backlog.**

It's possible that anyone who hasn't recertified in the past week may not want unemployment benefits or may have returned to work. However, it's important to rule out other possibilities, like claimants who don't understand that they need to recertify, don't understand how to recertify, or who run into problems with the system, like difficulty printing a form or getting through on the phone.

By tracking those who haven't recertified, states will be able to measure the ROI of strategies like sending recertification reminders or making recertification easier.

### **Improve collaboration with legislative offices.**

When unemployment is high, legislative offices become overwhelmed with constituent complaints. Since they're not equipped to process them, this becomes a flurry of hard-to-track emails and phone calls. With claimant-focused

data, teams will be able to work more effectively with legislative offices to create a process that reduces the amount of time it spends handling and responding to legislative requests.

## Strategy in action

In just a few weeks, California built a tool to receive and respond to legislative requests. Each legislative office has its own login to input new constituent concerns and see real-time updates about previous concerns. This allows the Economic Development Department to efficiently handle inquiries, and it allows legislative staff to provide timely and accurate updates to their constituents.

## Recommendations for the federal government

We recommend that the U.S. Department of Labor form a specialized team to:

- Develop a claimant-centric, plain-language definition of a backlog
- Provide technical assistance to help individual states build dashboards that translate their specific systems into the shared national backlog definition

To respect the intricacies of each state's system, this specialized team will need consistent understanding of the goal *and* the skills to query and manipulate data across multiple legacy systems. The team would help states accurately capture backlog data and tweak their existing systems to better support the accurate reporting.

Convening this specialized team would offer a number of benefits, for both individual states and the federal government:

- **Addressing recommendations from the Government Accountability Office (GAO):** GAO's [November 2020 recommendation](#) for DOL was: "The Secretary of Labor should ensure the Office of Unemployment Insurance pursues options to report the actual number of distinct individuals claiming benefits, such as by collecting these already available data from states, starting from January 2020 onward. (Recommendation 8)"
- **Technical assistance for states:** States will get the [technical assistance](#) they'll likely need to define and instrument a backlog dashboard. Claims often stretch across multiple systems and work queues. In some states, it can be very challenging to link multiple work items to a single claim or single claimant. Still, given the right resources, these are tractable problems. States can modify their existing systems and connect them to a central reporting dashboard to fully automate ongoing backlog reporting. (Full automation, with the underlying code available for inspection by a third party, also limits opportunities to manually manipulate reporting numbers.)
- **Objective guidance for defining the backlog parameters in each state:** It can be tricky to determine what claims are and aren't part of a backlog. While the overall spirit of the backlog definition should be consistent nationwide, there are local nuances that require each individual state to handle its backlog instrumentation. For example, in California, one of the systems for processing unemployment claims generated hundreds of thousands of automated "flags" on claims. Some flags prevented a claim from being processed and required a human to address the issue; other flags were merely informational, and had no impact on whether the claim could be processed. Counting every flagged claim would have artificially inflated California's backlog numbers *and* incentivized staff to spend time clearing meaningless flags instead of helping real claimants. Nevada had a [similar](#) challenge. By differentiating between the two kinds of flags in the backlog definition, California and Nevada were able to prioritize work directly related to getting claimants their benefits.
- **More timely data to focus U.S. DOL's technical assistance efforts:** A central U.S. DOL dashboard that's updated daily would provide the federal government early warning signs about growing backlogs, and

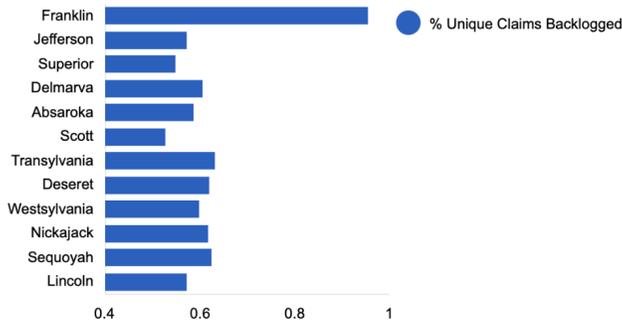
identify states that may require additional technical assistance. To accomplish this, DOL could request that states make their daily backlog dashboard reporting data available in a consistent format (e.g., a spreadsheet with consistent column headings) that can be fed into the central dashboard. This would replace existing reporting measures like first payment timeliness with a more automated and more robust process. We would recommend that the U.S. DOL set an early precedent of using this data to *help* states, not penalize them.

To see what this could look like, [check out the Minimum Viable Product \(MVP\) example](#) that we built using SmartSheet (a web-based data collection tool that is FedRAMP-certified).

State Backlogs (View Only) :

smartsheet

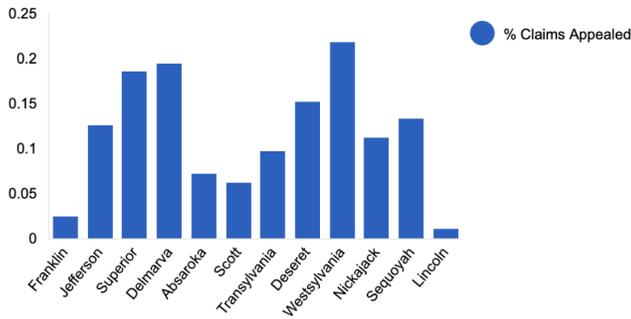
UI Claim Backlog as % of Claims



Average State Daily Backlog UI Claim Numbers

% Unique Claims Backlogged 0.62191

UI Appeal Backlogs by State



State Daily Backlog UI Claim Numbers

State	Unique Pending Claims	Pending Support Requests	Pending Legislative Requests	Pending Appeals	Sum	Total Unique Claimants Last 30 Days	% Unique Claims Backlogged	% Claims Appealed	Population
Franklin	4730244	3450000	504979	230000	8915223	9344334	0.95408	0.02461	39512223
Jefferson	250000	141315	458240	239297	1088852	1899247	0.57331	0.126	28995881
Superior	372304	373371	622471	702037	2070183	3768062	0.5494	0.18631	21477737
Delmarva	1067193	131438	865423	975116	3039170	5011147	0.60648	0.19459	19453561
Absaroka	1001490	792963	1196010	422413	3412876	5824262	0.58598	0.07253	12671821
Scott	296241	1264905	996815	341194	2899155	5502069	0.52692	0.06201	12801989
Transylvania	1182309	619914	585632	434712	2822567	4462825	0.63246	0.09741	11689100
Deseret	1103319	353835	706116	706336	2869606	4635893	0.619	0.15236	10617423
Westsylvania	427072	160742	234711	475378	1297903	2168734	0.59846	0.2192	10488084
Nickajack	1490896	764055	951699	716114	3922764	6354632	0.61731	0.11269	9966857
Sequoyah	1329605	920988	346470	706336	3303399	5277193	0.62598	0.13385	8862190
Lincoln	697922	687105	1284924	53197	2723148	4748374	0.57349	0.0112	8535519
							0.62191		

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# DETERMINATIONS

When states begin to break down their [workload management](#) tasks, the task that consistently takes the longest with the greatest backlog is determinations. On average, determinations take 30 minutes each, and they must be completed by experienced claims processors.

## New Jersey used an automated survey to vastly improve processing time.

As far back as 2017, New Jersey recognized determinations as an opportunity area. They were resolving fewer than 10% of determinations within the U.S. DOL timeframe, when the standard was 87%. Unable to close this gap without a time expansion machine, they adopted a creative alternate approach. Today, the majority of claimants who require a determination interview get an auto-generated electronic survey, asking the specific fact-finding questions relevant to their claim.

**Claims processors doubled their productivity**, shaving an average of 5 weeks off of claim processing time. Using Salesforce as the underlying system for generating and collecting this survey information was another successful [strangle the mainframe](#) pattern.

## Review your interview process for opportunities to automate.

We recommend that every state evaluate its determinations interview process for opportunities where automation, such as a situation-specific survey, can replace the highly labor-intensive and non-scalable manual interview process.

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Go to the next section: [Customer Service](#)

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## NOTES

1. [https://cms.detr.nv.gov/Content/Media/Strike\\_Force\\_Report\\_2021\\_FIN.pdf](https://cms.detr.nv.gov/Content/Media/Strike_Force_Report_2021_FIN.pdf) ↩
2. <https://www.naswa.org/system/files/2021-03/usdolreleasesnaswareport.pdf> p189 ↩
3. “Specifically, more than half the states GAO surveyed reported insufficient staffing, outdated Information Technology (IT) systems, and funding constraints” [GAO May 2016](#) ↩
4. In the pandemic, claims in 2020 exceeded all claims received in the previous five years combined. States cannot maintain staffing capacities at 5x normal needs. Even in “normal” times workforce agencies have been unable to maintain baseline staffing levels: [Nevada](#) experienced 1400% increase and had: “Save for one contract employee, key leadership positions in the Department were either filled with inexperienced leaders or were vacant...Furthermore, hiring of new staff and contract staff was constrained by the need to assign the limited number of seasoned ESD adjudication staff to train and serve as mentors to new hires.” ↩
5. It typically takes a new claims examiner up to two years to be proficient in interpreting and applying the federal and state unemployment compensation laws and regulations. There were a limited number of qualified staff to handle the sudden and dramatic influx of cases.” - Nevada strike team report ↩

6. “Two issues of state preparedness to successfully implement the expansion of UI benefits—staffing and system capabilities—have been long-standing concerns underlying many issues noted in prior OIG reports. These issues have been particularly evident in prior periods of increased stress on the unemployment program due to major disasters or periods of significant economic downturn” “Our work related to past funding for emergency staffing under the 2009 Recovery Act showed that states took over a year to spend the majority of funds available for hiring; and at least 40 percent of the available funds were unspent after 15 months”  
<https://www.oig.dol.gov/public/reports/oa/viewpdf.php?r=19-20-001-03-315&y=2020> ↩
7. <https://www.govops.ca.gov/wp-content/uploads/sites/11/2020/09/Assessment.pdf> ↩
8. “It was extremely difficult to get clear-cut data on the size of the backlog. For the entire first month of the Strike Force’s existence, data identifying what claims were in what status of review was inconsistent and not reliable. Even today, the case management tools available to DETR are inadequate.” ↩

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# Customer Service

## FIRST CONTACT RESOLUTION

First contact resolution is when a claimant calling with a question or concern has that issue resolved on their *first* contact, rather than having to reach back out again.

First contact resolution rates are a standard measurement in private sector customer service, but we didn't find any state that was tracking it for unemployment. In fact, some states shared with us that they were unable to even count call volume until the pandemic led them to adopt new call center technology like AWS Connect.

**We recommend a [demonstration project](#) to measure first contact resolution.**

Some examples of what this project could focus on include:

- How to resolve one claimant across all channels (e.g., chat, email, and phone)
- The ideal call reason categories for measuring contact reason with enough granularity to work through and automate or eliminate the top reasons
- What the top reasons for requiring multiple contacts are
- What the ideal mix of channels is (e.g., email, chat, phone, IVR, SMS)
- The necessary staffing ratio across channels (e.g., chat vs. phone)
- What first contact resolution rate is achievable

## CONTACT METHODS

States need multiple customer service channels to properly service unemployment claimants. They also need to be able to reconcile the same individual across all of the contact channels.

**Staff contact centers appropriately.**

If the only request an agent can answer is a password reset, a phone center with one million live agents who answer in under 30 seconds is completely useless.<sup>1</sup> Many states rushed to hire hundreds or

thousands of call center agents, which ultimately just further frustrated claimants at significant cost to the agency.

## **Identify common questions that could be handled through a different channel.**

It's important to measure *why* people are calling in and ensure those reasons can be addressed via specific channels. Make it clear to claimants what they can and can't accomplish through a given channel, and expand self-service offerings so that live agents can focus on individuals who can't access or use self-service.

“At the beginning of the pandemic, the PUA Call Center was outsourced. Originally, DETR contracted with Alorica to run an informational call center with 100% contract staff. Many claimants complained that the call centers could only pick up a call and say “Yes, I see your claim in the system and there appear to be no issues; I will elevate your claim to an adjudicator.” — *Nevada Strike Team*

### **Story from the field**

North Carolina provides claim status updates through an automated phone system. If the claim status is that the claimant needs to take additional action, that claimant is immediately routed to a live agent, skipping wait time.

## **Develop a contact center taxonomy.**

A demonstration project could be developing an optimal contact center taxonomy and routing tree methodology for capturing granular call reasons and maximizing self-service.

## **Chat bots can help reduce call center volume.**

Many states introduced chatbots during the pandemic to help reduce call center volume for basic questions, provide claimants with claim status updates, and other tasks.<sup>2</sup> Chatbots have proven useful in other benefits areas like WIC,<sup>3</sup> but only if the self-service answers are effective.

“One thing that many states have been implementing that has helped to address long backlogs in a claimant-friendly manner is to set up callback systems and establish online chat technology to answer basic questions and help people avoid common mistakes. States can also establish triage protocols as a part of their business practices so they can better allocate resources. That way, calls coming in about password resets or claim status can be directed to staff specialized to handle simpler questions, freeing up adjudicative staff time.”<sup>4</sup>— *National Employment Law Project*

## Stories from the field

### TEXAS

Texas launched a chatbot named Larry. “From conception to deployment \_ “Larry\_ ’” was up and running in four days with help from their private sector partners AWS and Accenture and has answered 4.8 million questions for 1.2 million people.”<sup>5</sup>

### NORTH CAROLINA

North Carolina added a webchat by analyzing the most commonly-searched terms on the website to add new content. They measure the success of their chatbot relative to their call center volume, adding new chatbot topics regularly to help deflect the need for live agents. Since deploying chat on AWS Connect, more than 100,000 people have successfully self-served.

## Allowing people to schedule calls can reduce call volume.

Many states reported that [allowing individuals to schedule appointment times](#) with a call center agent drastically reduced the number of call trunk lines in use, and dramatically increased claimant satisfaction because they didn’t have to [wait on hold](#) or redial all day.<sup>6</sup> Wisconsin found that the greater the call hold times, the greater the number of redials — a trunk line death spiral.

## Aggregate claimants across channels to reduce workload.

Measuring the number of pending customer service requests by unique claimant can incentivize states to resolve identities across platforms. Without resolution, the same person can count tens if not hundreds of times in the customer service “backlog.” Further, once you successfully resolve that claimant’s issues, you can close out all of their related messages across all channels, reducing overall workload.

### Story from the field

Tennessee reports success using ZenDesk to identify the same claimant across all channels, which also provides the claimant with superior support (since a customer support professional can see all of their

historical requests and claim updates).

## Ask claimants for their preferred contact method.

Some states continue to have policies where claimants must opt IN to electronic mail. Given today's usage patterns, this should flip: **states should ask constituents up front to state their preferred contact method, and follow it.** While some may select physical mail, it's overall the slowest method, and should never be the default.

## Offer several ways for claimants to contact your program.

Provide an expansive number of contact channels, like:

- Automated phone system (IVR)
- Live agent phone system
- Text messaging
- Chatbot
- Electronic messaging
- [Lobby management technology](#) for in-person offices

### Story from the field

In Connecticut, the Consumer Contact Center expanded CTDOL's staff and modernized its platforms, enabling virtual and live chat features, a call scheduling option, as well as phone, text, and email communications. Since July, the Contact Center has handled nearly 700,000 cases and currently handles up to 3,000 calls per day.

## HELP DOCUMENTATION

Improving help documentation can have a huge positive impact on state unemployment systems. Poor quality help documentation was cited repeatedly<sup>7</sup> as a barrier and frustration for claimants.

High-quality help documentation offers many benefits, like:

- Helping claimants apply and recertify faster
- Reducing load on customer service
- Reducing overall errors

**To be most helpful, documentation should meet these criteria.**

High-quality help documentation is:

- Written in [plain language](#)
- Easily discovered via search — including both external search engines like Google, and also within an employment website’s search feature
- Contextual — the explanation for a potentially confusing question should be right there next to the confusing question
- Data-driven — write content to address top questions<sup>8</sup> from customer service and website searches

## The format of documentation can vary.

Help documentation can take multiple forms: contextual help bubbles, user guide videos, [frequently asked questions](#), how-to articles, automated chatbot answers, etc.

# NAVIGATORS

Ad hoc support groups<sup>9</sup> where claimants helped one another navigate the unemployment process sprung up in nearly every state. Some states partnered with these groups, while others didn’t.

## We recommend that every state develop relationships with its unemployment navigator communities.<sup>10</sup>

Whether they’re a Facebook group or a local Legal Aid office, these navigators are a crucial source of information about obstacles that states can resolve, as well as a powerful form of customer support that can reach a wide population.

### Stories from the field

#### CALIFORNIA

California hired an Unemployment Stakeholder Advocate to represent the needs of claimants in agency operations. [Read the position description.](#)

#### MICHIGAN

Through the pandemic, Michigan UIA deepened its relationship with community partner agencies, such as large nonprofits and workforce development centers, by connecting navigators directly to UIA caseworkers. Navigators shared that this connection was a very useful tool to help claimants get their questions answered more quickly than if they’d reached out to UIA on their own.

Community partner agencies expressed deep respect for the staff at UIA who navigated a tumultuous year with outdated technology. These relationships are an example of an effective form of

communication from UIA to its users and provides a model that might be used more broadly.<sup>11</sup>

## NEVADA

In Nevada:

“The Chair of the Strike Force was in frequent communication with a founding member of the Nevada Pandemic Unemployment Facebook group. This individual shared valuable information with the Chair who passed these insights from a claimant feedback loop to ESD. This type of communication should occur with DETR and community stakeholders just as other state agencies do with their stakeholders. Perhaps that was not possible when the crisis was at its highest peak as there was no one available to do it. However, this is an essential role that should be created in the future.” Nevada

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Go to the next section: [Procurement](#)

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## NOTES

1. <https://www.govops.ca.gov/wp-content/uploads/sites/11/2020/09/Assessment.pdf> ↩
2. <https://usdr.gitbook.io/unemployment-insurance-modernization/additional-deep-dives/customer-support-mechanisms-for-ui-agencies/customer-support-online-chatting/known-results> ↩
3. [https://s3.amazonaws.com/aws.upl/nwica.org/wic-technology-landscape\\_-\\_final-report-design.pdf](https://s3.amazonaws.com/aws.upl/nwica.org/wic-technology-landscape_-_final-report-design.pdf) ↩
4. <https://www.nelp.org/publication/from-disrepair-to-transformation-how-to-revive-unemployment-insurance-information-technology-infrastructure/> ↩
5. [https://www.nascio.org/wp-content/uploads/2020/06/NASCIO\\_ChatbotsRespondtoCOVID-19.pdf](https://www.nascio.org/wp-content/uploads/2020/06/NASCIO_ChatbotsRespondtoCOVID-19.pdf) ↩
6. <https://tcf.org/content/report/centering-workers-how-to-modernize-unemployment-insurance-technology/> ↩

7. [https://danachisnell.com/wp-content/uploads/2020/08/Report\\_-Barriers-pain-points.pdf](https://danachisnell.com/wp-content/uploads/2020/08/Report_-Barriers-pain-points.pdf) Page 15 ↩
8. “States should identify common errors that users make and post tutorials or application guides to help avoid mistakes.” <https://www.nelp.org/publication/from-disrepair-to-transformation-how-to-revive-unemployment-insurance-information-technology-infrastructure/> ↩
9. [https://danachisnell.com/wp-content/uploads/2020/08/Report\\_-Barriers-pain-points.pdf](https://danachisnell.com/wp-content/uploads/2020/08/Report_-Barriers-pain-points.pdf) Page 15 ↩
10. <https://www.americanprogress.org/issues/economy/reports/2021/04/06/497772/union-unemployment-insurance-navigators-boon-jobless-workers/> ↩
11. <https://docs.google.com/document/d/1nBPDEa8l8RSrKgm2o8cx6RO7xYkEN7nyp1yVfGg6OXk/edit?ts=6061ef4a> Page 9 ↩

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# Procurement

Only 13% of government software projects over US\$6m succeed.<sup>1</sup> Both before and during the pandemic, news media has repeatedly reported on costly state unemployment insurance systems across the country — California, Florida, Massachusetts, Indiana, Pennsylvania — that went over budget, over time, resulted in lawsuits, and most importantly, failed constituents in need.<sup>2</sup>

## THE FEDERAL COST ESTIMATOR IS A HELPFUL TOOL FOR PROCURING SERVICES.

The [Contract-Awarded Labor Category \(CALC\) tool](#) helps federal contracting officers and others find awarded prices to use in negotiations for labor contracts. It offers ceiling prices, fully burdened costs, services data, and worldwide rates. This tool shows actual ceiling prices awarded to various vendors at the master contract level, on the 8 eight GSA professional services schedules (including IT 70).

These are not prices paid at the task order level, which may be slightly different (e.g., to reflect a discount). Rates you see in CALC are:

- Fully burdened hourly rates
- Ceiling prices (awarded at the master contract level)
- For the current fiscal year
- Worldwide awarded rates

## Hourly rate data for user experience

13 results



Std deviation -1  
**\$110**

Average price  
**\$176**

Std deviation +1  
**\$242**

Proposed price

\$

Go

Note: 68% of the prices fall between the +1 and -1 Standard Deviation.

### Optional filters

Education level:

Select



Experience:



0 - 45 years

Worksite:

(all)

Business size:

(all)

Category:

(all)



Subcategory:

(all) Total: 82



## Hourly rate data for software engineer

Showing 200 of 502 results



Std deviation -1  
**\$77**

Average price  
**\$119**

Std deviation +1  
**\$161**

Proposed price

\$

Go

### Optional filters

Education level:

Select



Experience:



0 - 45 years

Worksite:

(all)



Business size:

(all)



Contract year: [What's this?](#)

Current

+1

+2

## Hourly rate data for content

114 results



Std deviation -1  
**\$50**

Average price  
**\$109**

Std deviation +1  
**\$168**

Proposed price

\$

### Optional filters

Education level:

Select

Experience:

years  
0  - 45  years

Worksite:

(all)

Business size:

(all)

Contract year: [What's this?](#)

Current

## Hourly rate data for facilitator

151 results



Std deviation -1  
**\$74**

Average price  
**\$144**

Std deviation +1  
**\$215**

Proposed price

\$

### Optional filters

Education level:

Select

Experience:

years  
0  - 45  years

Worksite:

(all)

Business size:

(all)

Category:

(all)

Subcategory:

(all) Total: 82

**Note:** 68% of the prices fall between the +1 and -1 Standard Deviation.

Go to the next section: [Employers](#)

# NOTES

1. Projects valued at \$6M or greater, in Europe and the United States, that were completed satisfactorily, on time, and within budget. From The Standish Group's "[Haze](#)," based on their CHAOS database. ↩
2. <https://themarkup.org/coronavirus/2020/07/16/unemployment-benefits-website-failures-deloitte-ibm> ↩

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# Employers

A general recommendation for U.S. DOL is to provide an [employer roadmap](#) for employers to understand the unemployment process and their steps and responsibilities.

## SHORT-TIME COMPENSATION

Twenty-eight states have a Short-Time Compensation (STC) program, better known as “Work Share.” In Work Share, employers *reduce* an employees’ hours in lieu of laying them off. In qualifying situations, unemployment benefits help make up the difference.

### Story from the field

[California](#) leveraged the [strangler pattern](#) to build a new Work Share interface for employers and claims processors using Salesforce. By making the interface easier to use than the previous paper-based forms and mainframe-based processing system, California successfully encouraged more employers to use the Work Share program. This increased use is helping to keep more people employed in their original jobs.

## EMPLOYER-FILED CLAIMS

Employer-filed claims allow employers to initiate unemployment claims on behalf of their newly-laid-off employees. Because the claims are initiated by the employer with the information necessary for verification, the subsequent claim doesn’t require the employer verification to confirm wages or reason for separation. In the case of large lay-offs, this can provide a greater level of efficiency for claim processing and potentially reach more workers with unemployment benefits.

[However, employer-filed claims can also hurt workers.](#)

### Stories from the field

## Michigan<sup>[107]</sup>

Unlike many other states around the country, employers in Michigan who have over 100 employees can apply for unemployment benefits on behalf of their employees. On the Michigan Web Account Manager (MiWAM), they upload a spreadsheet with key information about their employees and get approval to file the claims within 48 to 72 hours. Employees then receive an email to verify their claim information. In this situation, employees can be approved or denied for UI without having to complete an application.

### CHALLENGES FOR SMALLER BUSINESSES

During the pandemic, Michigan's UIA adjusted their policy to allow smaller businesses with fewer than 100 employees to use this feature. However, through our research, we heard that there is a significant education gap between corporations and small- and medium-sized businesses when it comes to the tools, capacity, and information they have access to.

This left business owners feeling stranded during the pandemic. In absence of a simple process or guidance from UIA, they turned to paid consultants for help or free resources in their networks.

Small- and medium-sized businesses are the backbone of the U.S economy, but the UIA filing system isn't designed for them. This is a challenge that states across the country need to address. Allowing businesses to file claims on behalf of their employees is a viable option that should be further explored.

## Nevada

According to its strike team,<sup>1</sup> Nevada also explored “options to ‘pre-verify’ eligible separations. For example, employers could be required to provide a list of employees to be laid off when they send DETR a WARN Act notice. If done in a systematic way, the separation verification for such employees’ UI claims can be done before they file for UI, thus expediting the approval process. This kind of mass filings by employers is the practice, in different forms, in states such as Georgia, South Carolina, Tennessee, Texas, Kansas, and Alabama.”

## Federal guidance for employer-filed claims

A [proposed unemployment modernization bill](#) includes language for employer-filed claims.<sup>2</sup>

## Recommendations for the federal government

Employer-filed claims should be the subject of a [demonstration project](#) to determine how to strike the right balance between automation, efficiency, and positive impacts on claimants.

# EMPLOYER VERIFICATION

One source of friction and delay in the unemployment compensation process is verifying an individual's former employment with their former employer, including confirming that both the employer and the individual report the same [reason for separation](#).

When this process must be completed by mail, employers have struggled to meet the 7-day turnaround deadline. At the same time, even 7 days is a significant wait period for the claimant. Preferably, all states would have a [digital verification system](#) that *proactively* confirms employment and wages, so that confirming separation reasons can be done quickly and easily online. States with income tax are generally able to do this through their existing state tax systems.

## There's already a tool for states and employers to exchange verification information electronically.

The National Association of State Workforce Agencies (NASWA) runs the State Information Data Exchange System (SIDES) on behalf of the U.S. Department of Labor.<sup>3</sup> States can use SIDES to electronically request employment and wage verification from an employer, and employers can respond electronically, too. This prevents mailing verification documents back and forth, which further delays claims.

### SIDES is underutilized.

Almost all states use SIDES to some extent, but in 2017 the Office of the Inspector General (OIG) identified missed opportunities to maximize utilization of the system.<sup>4</sup> Fewer than 20% of employers were signed up to use it, and of those, they didn't respond to 41% of the 4.2 million requests. Employers cited "technical challenges" when the OIG interviewed them.

## Recommendation for a demonstration project

We recommend one or more [demonstration projects](#) related to automating or speeding up employer verification via digital tools,<sup>5</sup> initially focused on what user experience and technology improvements<sup>6</sup> may be needed to increase adoption of SIDES or to augment its functionality.

# APPEALS

Claimants can file an appeal when they believe that the unemployment system has falsely denied them benefits or the ability to apply for benefits. When a claimant believes they have falsely been denied unemployment benefits, or falsely been denied the ability to **apply** for unemployment benefits, they can file an appeal. Most states have two levels of appeals.

We recommend states keep a close watch on their appeals rates for any potential impact from other, upstream changes. Closely tracking the rate of appeals relative to claim volume is a critical early indicator that your attempts at thwarting fraud are diverting real claimants.

An electronic appeals tracking system can provide valuable information.

Ideally, states have an appeals tracking system that:

- Accepts electronic appeals filing,
- Provides a plain language status update about the appeal, and a
- Allows for reporting based on appeal reason.

Short of this, we recommend at least using a dedicated mailing address for appeals and counting appeals by mail piece or by weight.<sup>7</sup>

## **Volume and types of appeals are an important early indicator.**

We recommend states keep a close watch on their appeals rates for any potential impact from other, upstream changes. Closely tracking the rate of appeals relative to claim volume is a critical early indicator that your attempts at thwarting fraud are diverting real claimants.

We also recommend that states review data on appeals rates — both raw volume and trends — States should include data on appeals rates, both raw volume and trends, in their integrated command centers [integrated command center](#).

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**Go to the next section: [Appeals](#)**

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# NOTES

1. [https://cms.detr.nv.gov/Content/Media/Strike\\_Force\\_Report\\_2021\\_FIN.pdf](https://cms.detr.nv.gov/Content/Media/Strike_Force_Report_2021_FIN.pdf) ↩
2. (B) have in place methods for employers to notify the State workforce agency of employees who may apply for unemployment compensation due to short-term layoffs, business shutdowns, partial unemployment, and short-time compensation ↩
3. States are strongly encouraged to use the various exchange formats available through the SIDES to request and receive information from employers and third party administrators. SIDES ensures that data exchanges are complete and that valid information is received in an established consistent format. When fully implemented by states, SIDES Web Services and SIDES E-Response improve the timeliness and quality of the job separation and earnings verification information necessary to adjudicate monetary and nonmonetary determinations, thereby improving improper payment rates. [Pg](#) ↩
4. 2017 OIG found “A 2017 audit found that almost all states used the SIDES, an effective automated tool to obtain timely and accurate information from employers on the reasons individuals separated from employment”  
<https://www.oig.dol.gov/public/reports/oa/viewpdf.php?r=19-20-001-03-315&y=2020> ↩
5. <https://usdr.gitbook.io/unemployment-insurance-modernization/additional-deep-dives/employer-experience-with-ui/opportunities-of-the-digital-ui-agency-employer-interactions-user-interviews/key-takeaways> ↩
6. <https://usdr.gitbook.io/unemployment-insurance-modernization/ui-journey-map/the-agency-journey/interacting-with-employers> ↩
7. <https://www.govops.ca.gov/wp-content/uploads/sites/11/2020/09/Assessment.pdf> ↩

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# Appeals

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Go to the next section: [Technology](#)

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## NOTES

<https://www.govops.ca.gov/wp-content/uploads/sites/11/2020/09/Assessment.pdf>

1. [↶](#)

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# Technology

## MODERNIZATION

We recommend that everyone stop using the word “modernization” in the context of unemployment systems, immediately. Instead, focus on [claimant-centric outcomes](#) and [related North Star goals](#).

### Modernization doesn't have a universal definition.

Historically, the term “modernization” has been used to mean very different, and often very specific, things in the unemployment space. For example, NASWA's 2010 definition: “A ‘modernized’ UI system means the benefits or tax System uses an application technology that inherently supports web-based services and object-oriented paradigms in combination with a relational database technology. ‘Fully Modernized’ refers to a UI system with both ‘modernized’ benefits and tax.”

This has led reports to make ludicrous statements like:

- “40 percent of states have implemented a modernized [unemployment] IT system [in 2016]”<sup>1</sup>
- “16 states have fully modernized their unemployment insurance systems [in 2020]”<sup>2</sup>
- [This chart of “modernized” state systems](#)

**Using NASWSA's 2010 definition, modernized states perform worse than others.**<sup>3</sup>

“[M]odernization has presented additional challenges for those who make the effort to apply for compensation. For example, denial rates were statistically different between modernized and non-modernized states. Among modernized states, the number of unemployment insurance denials increased over a period of time that they had decreased in non-modernized states. These denials are largely driven by the online automation of state work-search mandates, which can be more difficult for workers to navigate than the phone-based systems that they replaced.” — *National Employment Law Project*

“Michigan’s IT system was also uniquely designed to fail after being implemented following historic legislation intended to flag and penalize fraud at unprecedented levels. The MiDAS system flagged more than 40,000 workers for fraud, and it was 93 percent inaccurate. The penalty for fraud in Michigan is four times the amount paid, plus 12 percent interest. As a result of these false flags, innocent claimants lost everything, including homes, and in severe cases, lives. Yet, despite the horrific system design, the new administration demonstrated a commitment to improving systems in a way that ensures access for UI applicants. As a result, Michigan has shifted course and become one of the fastest states in terms of payment processing.”

and:

“Ohio and Nebraska, the only two states in the interview sample with a modernized benefits system at the beginning of the recession, reported significant challenges implementing the FAC. In Ohio, implementation of the FAC required “drastic” system enhancements since it was a completely new type of enhanced benefit foreign to the state’s IT benefits system. Officials there report many processes were affected, including benefit payments, continued claims, employer charging, overpayments, repayments, reporting, and pay adjustment. The state was concerned about avoiding payment errors and devoted significant resources to testing the FAC programming prior to implementation. In Nebraska, also, the FAC was foreign to the state’s modernized IT benefits system, and the state faced significant challenges with programming and overpayment recovery. Both states began paying FAC beyond the allowable first date of February 22, 2009, with Ohio reporting being one of the last states to begin payment, and Nebraska reporting the state worked until April 1 to implement needed programming Changes.”<sup>4</sup>

Despite this “modernization,” “[n]o state entered the 2020 COVID-19 pandemic well equipped to process the massive increases in new Unemployment Insurance (UI) claims that flooded state systems throughout March and April.”<sup>5</sup>

### **States have found cost to be a barrier.**

Some claim that these failures are due to a lack of funding:

“The status of state UI IT systems at the start of the recession reflects the insufficient capital investment. The average age of UI IT systems for both tax and benefits administration was over 20 years in 2009, and only eight states had a modernized benefits system (NASWA 2010a).”<sup>6</sup>

NASWA estimates that “costs to develop a full UI IT system are estimated to range from roughly \$40 million upwards,<sup>7</sup>” but states we spoke with exceeded \$100M in direct costs despite being nowhere near “complete” in terms of processing claims and payments in a timely and equitable manner.

## SYSTEM MONITORING

Multiple states, including Kansas and Wisconsin, installed system monitoring tools on their unemployment processing applications for the first time during the pandemic. This allowed IT (and even business) leadership to see:

- When systems were up or down
- When systems were running slowly
- The top error messages users were receiving

Access to data like this allowed states to triage issues more quickly.

### **Install system monitoring tools and create a data dashboard.**

Tools for monitoring systems tend to be available on existing procurement schedules and aren't particularly expensive. It can take time to install the associated agent software on all involved systems, but after this point, there is little need for maintenance. Common tools mentioned in our interviews include New Relic, Splunk APM, and AppDynamics.

We recommend that every state have end to end system monitoring on all systems involved in processing unemployment claims, that rolls up to a dashboard for management to understand downtime, slow response times, and error rates.

## WEBSITE INSTRUMENTATION

Many states are using website instrumentation tools like Google Analytics to track key metrics that can improve how they allocate resources. Here are some examples of what these states are tracking.

- **Percentage of people who use their phone to open an online application** — States with this data report that **1 out of 2 of their users are on mobile devices**, indicating how essential it is for them to invest in an application that works well on mobile.
- **Percentage of people who start an application but stop at a specific point** — Reviewing this data helps states identify potential pain points in the process, which could include website errors, confusing instructions, or a requirement for data (e.g., tax information) that claimants are less likely to have ready.
- **Percentage of people who are redirected to file a paper application and why** — This enables states to track how many people are affected by specific limitations on electronic applications. For example, California knows exactly how many veterans attempt to file electronically, but who are subsequently stopped and told to file on paper. Its Office of Digital Innovation installed Google Analytics and use it to track visits to their specific federal employee error page.

## Instrument your websites and review the data regularly.

We recommend that every state instrument their unemployment websites and include review of the data in regular integrated [command meetings](#). Tools like Google Analytics have policies in place to protect visitors' privacy while gathering the data you need.

To learn more about visitor privacy protection, [read this guidance on data access, retention, and privacy](#) from the federal [Digital Analytics Program](#).

## TESTING ENVIRONMENTS

It's well worth the effort for states to maintain an up-to-date, working copy of the production environment — called a staging or testing environment — for their online unemployment system. States can use this environment to:

- **Require leadership to experience the application process.** In the UK, agency leaders *must* [be able to successfully complete an application online before it can go live](#).
- **Conduct usability testing.** Each state needs to test its system with a variety of *real* claimants representing *real* diversity. While it's important for employees to experience what end users see, they know too much about the unemployment process to effectively assess the system's usability.

- **Create better documentation.** California uses a test environment that mirrors production to create screenshots for both internal and external training and help materials.
- **Improve customer service.** When support staff can “follow along” in a testing environment, they can provide more detailed instructions to claimants.

Production data should never be used for testing. Most programming frameworks have tools to automatically generate large volumes of fake data for testing.

## Create a staging environment.

Systems tend to have *no* lower environments, or *many* lower environments (e.g., for required User Acceptance Testing). If you have *many* lower environments, repurpose one to serve as a mirror of the production environment. If you have *no* lower environments, prioritize giving your development team the resources to create them.

# ADAPTING TO CHANGING RULES

The rules around unemployment benefits and eligibility will change. The payment amounts will change. In a recession or a pandemic, these may change quickly.

## Lack of flexibility in the face of change hurts underserved communities the most.

“As Dr. William Spriggs pointed out in his recent testimony to the House Oversight and Reform Committee’s Select Subcommittee on the Coronavirus Crisis, the states slowest to set up the IT infrastructure to pay Pandemic Unemployment Assistance were more often states with higher populations of Black workers.”<sup>8</sup> — *National Employment Law Project (NELP)*

**Unemployment systems need to be able to adapt to changing rules.**<sup>9</sup>

**Any new unemployment-related demonstration project, module, or overall system must have the assumption built in that the rules *will* change, and that a mechanism must be available to update rules in as-yet-unknown ways on a routine basis.**

There are a myriad of ways to accomplish this, and it doesn't necessarily require the latest technology. Plenty of states have mainframes or COBOL systems that can flexibly adapt. Yet according to NELP, "*it took some states nearly a month and a half[16] to establish an online application process for the new Pandemic Unemployment Assistance.*"<sup>10</sup>

## Stories from the field

### CALIFORNIA

California is particularly adept, with a small team of programmers who can deploy complicated eligibility rule changes overnight.<sup>11</sup>

### NORTH CAROLINA

“North Carolina appears to have been unique among interview states in having a programming mechanism available to help administer the FAC.<sup>12</sup> According to officials there, the benefits IT system allows for adjustments to UI payments when there is a change in the amount due a claimant. The state was able to treat the FAC as an “adjustment payment” in its system, which required some initial programming but did not create any major programming challenges.”<sup>13</sup> — *National Association of State Workforce Agencies*

## STRANGLE THE MAINFRAME

Resource-strapped states may be relieved to learn that new technology isn't an all or nothing decision. The so-called “strangler pattern” is a proven approach to gradually replacing a mainframe with more modern technology. It starts with identifying the problems you need to solve.

Replacing a mainframe is *not* a goal or a solution in itself. You can [deliver an excellent experience](#) for claimants and employees while still running a mainframe. And you can also

deliver a terrible experience for claimants and employees using new technology — and at the cost of thousands of taxpayer dollars.

## The strangler pattern is based on incremental change.

The strangler strategy allows you to make improvements over time until the mainframe eventually becomes obsolete. To upgrade your system in a manageable, chunked way:

- Choose **one** area of functionality. In UI, this might be claim status, recertification, customer support, or lower-level appeals. (Basically, any of the chapter subheadings of this report!)
- Redesign it, with [user experience and Key Performance Indicators \(KPIs\) \(goals\)](#) in mind.
- Build this new functionality apart from the mainframe, with the least amount of integration necessary — maybe doing a spreadsheet data sync once every night, for example.

If the mainframe has constraints that negatively impact user experience, do the right thing in the new functionality, and silently transform as necessary in the background. For example, if your mainframe can't store names with special characters, do what Rhode Island did: provide claimants an inclusive name field that captures their name accurately, and store a separate version of that name behind the scenes to transmit to the mainframe. (When the need to send that name to the mainframe eventually goes away, turn off the separate transformation.)

## Take your cue from Harry Potter.

Harry Potter used the strangler pattern to defeat Voldemort. (Spoiler alert!) For the first 6 and a half books, Harry pursues a typical mainframe modernization program: going straight for the heart of Voldemort and the Death Eaters, to destroy all of them in one fell swoop, if only they planned well enough. This ultimately results in failure, with Voldemort stronger than ever, the deaths of half of Harry's support network, and untold pounds of Muggle property damage.

The tides start to turn when Harry discovers the horcruxes. One at a time, he (okay, Hermione) destroys one “module” of Voldemort, without Voldemort really noticing or defending them. At the end, all that's left is one last weak, shriveled Voldemort module, which is easily dispatched.

## Stories from the field

Many states have used the strangler pattern successfully to deliver significant improvements in unemployment benefits delivery in a matter of weeks.

### RHODE ISLAND AND NEW YORK

Rhode Island was able to repurpose an existing survey application to serve as the new PUA claim application. They then exported the survey data into a file format that their legacy system (an As/400) consumed, none the wiser that these were not “traditional” UI claims. Because of this strangler pattern innovation, Rhode Island was the first state in the country to pay PUA benefits.

*“We found that via a strangler pattern, we could make the front end not just friendlier, but actually useful, while continuing to use the As/400 as the system of record.” - Abby McQuade, Chief Innovation Officer, Rhode Island Department of Labor*

[New York applied a similar strategy](#) with a separate PUA application tool.

### VERMONT

Vermont launched a [document uploader tool](#) in just under 4 weeks that enabled more than 42% of claimants to have their documents reviewed on the same day, with 55% of claimants submitting documents on the same day they were requested (up from 11%). The tool collects enough personal information to match the document to the claimant in the system, without directly integrating with the mainframe. This tool is now in use by 37 different programs across the state.

### CALIFORNIA

California stood up a [retroactive recertification application](#) using the strangler pattern in under a month with just 2 developers, leveraging a once-nightly CSV sync with the mainframe.

## CLOUD COMPUTING

Moving to cloud computing solutions generally provides greater scalability and uptime. But simply lifting and shifting a legacy system into the cloud may not provide much benefit in

and of itself. Prior to moving to the cloud, consider your success metrics, like uptime, scalability, and ability to support remote work (e.g., virtual desktops).

Every state we spoke with that moved to the cloud is pleased with the positive results. California's cloud-based plain language guide was able to handle over [200,000 concurrent visitors with no downtime](#), and Virginia experienced significant gains from moving to the cloud.

To solve problems in unemployment, newer technology needs to be attached to claimant success metrics, such as [handling at least 35 requests a second](#).

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**Go to the next section: [Recommended Way Forward](#)**

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## NOTES

1. <https://www.gao.gov/assets/gao-16-430.pdf> ↩
2. <https://www.nelp.org/publication/from-disrepair-to-transformation-how-to-revive-unemployment-insurance-information-technology-infrastructure/> ↩
3. <https://www.nelp.org/publication/from-disrepair-to-transformation-how-to-revive-unemployment-insurance-information-technology-infrastructure/> ↩
4. <https://www.naswa.org/system/files/2021-03/usdolreleasesnaswareport.pdf> Page 222 ↩
5. <https://www.nelp.org/publication/nelp-testimony-michele-evermore-michigan-unemployment-claims-processing/> ↩
6. <https://www.naswa.org/system/files/2021-03/usdolreleasesnaswareport.pdf> Page 178 ↩
7. <https://www.naswa.org/system/files/2021-03/usdolreleasesnaswareport.pdf> Page 179 ↩
8. <https://www.nelp.org/publication/from-disrepair-to-transformation-how-to-revive-unemployment-insurance-information-technology-infrastructure/> ↩

9. “Most states’ IT benefits systems lack the flexibility to easily accommodate a simpleseeming add-on payment like the FAC. To implement the FAC provision on a short timeframe, most states had to develop a separate computer program or even a separate payment system outside the main IT benefits system, or to pursue a manual payment process. Programming this new payment type into the existing benefits program (or system) was either impossible or would have resulted in great delays. For example, Maine officials reported their IT system was not structured to handle the FAC, and they had to use an offline payment module usually reserved for special UI programs. Texas officials noted IT staff estimated it would have taken six months to incorporate FAC payment and overpayment processes into the state’s automated benefits system, so the state chose to pay FAC as a supplement outside the system. Nevada officials mentioned they had to treat the FAC as a separate payment outside their regular UI programming, which substantially increased the administrative workload and “several aspects of workload essentially doubled due to FAC payments.” Developing and testing the new programming or system was important to ensuring accuracy of payments, but it was also time consuming.”  
<https://www.naswa.org/system/files/2021-03/usdolreleasesnaswareport.pdf> p221 ↩
10. <https://www.nelp.org/publication/from-disrepair-to-transformation-how-to-revive-unemployment-insurance-information-technology-infrastructure/> ↩
11. <https://www.govops.ca.gov/wp-content/uploads/sites/11/2020/09/Assessment.pdf> ↩
12. This problem has been known for some time: “In all previous recessions, emergency long-term benefits like EUC were paid at the same weekly rate as regular benefits. Under the Recovery Act, the FAC increased benefits by \$25 per week, which had to be added to each weekly payment to all (regular UI and long-term) recipients. States had to devise procedures to make FAC payments, which caused difficulties for many state IT systems.”  
(p [xix](#) ) ↩
13. <https://www.naswa.org/system/files/2021-03/usdolreleasesnaswareport.pdf> Page 222 ↩

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# Recommended Way Forward

## WHAT WE CAN LEARN FROM ARRA

In the last recession, the American Recovery and Reinvestment Act (ARRA) established a \$7 billion pool was established for states to modernize their unemployment systems.

Applications for these funds were due in August 2011.<sup>1</sup> States could use the funds to pay UI benefits directly, or to improve their unemployment services programs.

In 2009, states were granted a \$500 million fund for unemployment “[modernization](#).”<sup>2</sup> These funds<sup>3</sup> could be spent on administrative improvements, but they couldn’t be used to pay benefits directly. Over 80% of states reported that they would invest these funds in technology improvements.<sup>4</sup>

**Table 8.6 Summary Estimates of State Investments from the \$500 Million Recovery Act Grant for UI Administration (data from 19 interview states)**

	\$ Millions	% of total
<b>Technology-related investments</b>	153	60
<b>Major system or small-scale upgrades</b>	137	54
Programming for EUC/EC/modernization provisions	16	6
<b>Staffing and infrastructure</b>	99	40
<b>Staffing of general UI operations (client services, administration)</b>	45	18
<b>Infrastructure</b>	5	2
Staffing of reemployment initiatives	49	19
<b>Total RA grants to 19 states for UI administration</b>	252	100

5.

In retrospect, these millions don’t do not appear to have meaningfully improved any state’s unemployment benefit system or capacity to handle the current increase in unemployment claims. Post-recession surveys revealed most states cited their greatest resulting wins as “youth summer camps”<sup>6</sup> which weren’t a top concern coming out of the pandemic for anyone we spoke with.

According to NASW, “Spending funds quickly and in a timely manner was also a challenge frequently cited” regarding modernization funds in the last recession pandemic.<sup>7</sup>

## To do better this time, we propose success metrics and demonstration projects.

How can we do it better this time around? Instead of attaching funds to process measures, like hours of training delivered or youth summer camps created, U.S. DOL can attach funds to [success metrics](#). It can fund [demonstration projects](#) tightly coupled to goals, which in turn can develop the insight and collateral for other states to achieve those same (or better) goals.

## DEFINING SUCCESS

Systems respond to metrics and incentives. The more that states, partners, and U.S. DOL can focus attention on claimant-centric success metrics, the better the experience will be for those who depend on it.

### Success is about impact

The success of efforts to improve unemployment benefits delivery can't be measured in hours invested, dollars spent, or lines of COBOL eliminated — success is determined by the [impact for real claimants in the real world](#).

“The DOL regime should include basic measures of success and failure (including adequate customer service) that can be assigned a grade that should be prominently featured on the DOL website to provide transparency to the public and compare the operation of programs across the states.”<sup>8</sup> — *National Employment Law Project*

### Success metrics should emphasize service delivery, not fraud prevention.

States must fight fraud. But reactionary measures in the moment, like blocking claimants who use the same address or who switch bank accounts frequently (measures that, in the end, don't protect against organized crime efforts, either), hurt claimants without truly addressing fraud.

Leaders need to decide if their goal is to deliver timely, adequate benefits payments to the unemployed, or to [continue to reward not paying people](#) or avoiding “[fraud](#)” at the expense of delivering benefits.

“Part of this increase in erroneous denial has to do with the fact that systems have been over-calibrated to prevent overpayments at the expense of paying appropriate benefits.”<sup>9</sup> — *National Employment Law Project*

The cost of erroneously flagging fraud can be stark:

In the end, MiDAS [Michigan Integrated Data Automated System] flagged nearly 40,000 workers for fraud, in which a staggering 93 percent of those were inaccurate, according to NELP. What’s worse, the penalty for fraud in Michigan is four times the amount paid, plus 12 percent interest; and many of those affected by these measures lost everything. Detroit Attorney Jonathan Marko, who represented Michigan residents in bringing a claim against the state, said: “Some of these people committed suicide. Some lost their homes. Some had to declare bankruptcy.”<sup>10</sup> — *New America Foundation*

We need thoughtfully-crafted success metrics that consider claimants, claims processors, *and* organized crime. And the first measure of success should be, “Did all eligible people receive benefits?” rather than “How many ineligible people received benefits?”<sup>11</sup>

## **To provide benefits more equitably, measure what we’re doing wrong.**

We know that unemployment benefits aren’t delivered equitably.<sup>12</sup> To change this, we need to measure where we’re going wrong.<sup>12</sup> Unemployment can learn from [the financial industry’s strategies](#) for detecting bias in outcomes:

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## Excerpt from Fair AI: [How to Detect and Remove Bias from Financial Services AI Models](#)

By carefully altering the way different demographic groups are assigned to protected or sensitive classes, and ensuring these groups have equal predictive values and equality across false positive and false negative rates, you can better detect bias in your AI. These five steps can help you detect bias in your algorithms:

- Ensure all data groups have an equal probability of being assigned to the favorable outcome for a protected/sensitive class.
  - Ensure all groups of a protected/sensitive class have equal positive predictive value.
  - Ensure all groups of a protected/sensitive class have predictive equality for false positive and false negative rates.
  - Maintain an equalized odds ratio, opportunity ratio and treatment equality.
  - Minimize the average odds difference and error rate difference.
- 

A critical step for ensuring equitable access to benefits is collecting demographic information.

### **Recommendation for the federal government**

U.S. DOL could create blanket permission and best practices for collecting and measuring consistent demographic information for equitable outcome analysis.

### **Let's start measuring outcomes instead of process.**

[Today, U.S. DOL measures states](#) on timeliness for states' handling of first payments, continued claims, nonmonetary adjudication determinations, and appeals, as well as measures of the quality of adjudication determinations. States track the percentage of:

- First payments made within 14/21 days
- Continued claims made within 7 days
- Continued claims made within 14 days
- Non-monetary determinations made within 21 days
- Lower authority appeals decided within 30 days

All successes for the American Recovery and Reinvestment Act (ARRA) referenced *training hours delivered not jobs secured*.<sup>13</sup> With the American Rescue Plan (ARP), we have an opportunity to refocus success metrics on outcomes and not intermediate steps that may or may not result in desired outcomes.

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**Excerpt from Government Programs Should Measure How Well They Help People:**

“For example, what if we measured by benefits-participation rates and focused on people who are eligible but not enrolled? What if we decided success looked like reducing the billions of federal dollars that are left on the table every year because people don’t realize they’re eligible for benefits programs, or by how close we were to reaching every hungry child in the country and eliminating child hunger?”

“What if we consistently measured customer satisfaction? We’re all asked to leave reviews or give feedback to almost every private-sector company we interact with. Could more government services ask the public how satisfied they are with their experience, or how it might be upgraded in a meaningful way?”

“And what if we measured for efficiency and efficacy? Not in dollars spent by government but in the time it takes to deliver benefits that are sufficient to meet people’s needs.”<sup>14</sup>

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**Excerpt from Work Support Strategies Initiative: 12 Lessons on Program Integration and Innovation:**

“When data are connected to vision, conversations become customer- and family-centered. SNAP and Medicaid participation rates won’t just be numbers; they’ll instead indicate whether families are accessing the full package of benefits for which they are eligible. The new set of questions may be: How quickly do families get benefits? How much delay do they experience between each step of their process? How many eligible families have their cases closed for administrative reasons and experience churn at redetermination? How are customers’ experiences and access to programs changing over time? Are we providing consistent customer service no matter which office someone walks into? Data should be used to illustrate and examine customer service and the agency’s impact on families.”<sup>15</sup>

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## **Write metrics that measure the what, not the how.**

Success metrics should drive behaviors we want, instead of explicitly defining the “how.”

### **Instead of saying “use cloud computing,” say “have an SLA of 99.9%.”**

Requiring a service level agreement (SLA) of 99.9% effectively requires cloud, but it sets a much clearer expectation. This performance-based expectation avoids the unfortunate circumstance of moving an aged system into the cloud and still having 6 hours of downtime per day.

Here are some other examples of putting the what before the how:

- In order to know a state’s application abandonment rate, they have to have [website instrumentation](#).
- In order to get same-day payments to a population that speaks 10 different languages, a state will need to develop effectively [transadapted](#) materials.
- To keep its recertification drop-off rate higher, a state has to proactively remind people to recertify.

## Consider up front how each metric will be monitored and reported.

A third party must be able to validate adherence to any given success metric, preferably in real-time, and not through a manually-generated report submitted once a year. For example, key metrics need to be re-evaluated after every functionality change to monitor for unforeseen (or hoped-for!) impact.

## These proposed new success metrics focus on service delivery.

Possible claimant-centric success metrics can include:

- Digital application abandonment rate
- First contact resolution rate
- Average hold time
- End to end claim automation (percentage of claims that can be decided correctly instantly, or if batch jobs are in play, within 24 hours with zero human intervention)
- Error rate
- Recertification abandonment rate
- Appeals rate

### Recommended required reading

Code for America's "[The Status Quo of Safety Net Assessment](#)" should be required reading for anyone considering new unemployment-related success metrics.

## Related recommendation for the federal government

There's currently no downside to prevent employers from contesting all unemployment claims.<sup>16</sup> We recommend that U.S. DOL introduce a counter-measure that penalizes employers who contest too many claims that are ultimately decided in the claimant's favor.

# STRIKE TEAMS

**This section was written in collaboration with Cassandra Madison of [The Tech Talent Project](#) and the California Unemployment Strike Team.**

Many states' unemployment insurance issues are rooted in similar problems — technical systems, business processes, staffing models that aren't built to withstand crisis-level demand, and limited or no shared understanding of data. These underlying problems also manifest in similar ways across states, creating huge backlogs that leave Americans waiting for financial support when they are most vulnerable and systems wracked by fraud, costing millions of dollars.

Strike teams tasked with improving unemployment insurance programs design and implement strategies to quickly fix the root causes of systemic failures.

## **Strike teams need to understand each state's challenges.**

Groups looking to drive local progress will need to understand the specifics of each state's architectural, cultural, staffing, and vendor challenges. This is particularly true for any group trying to help from the outside.

Investing the time to understand each state's challenges through upfront discovery work will increase the chances of success in the short term, building trust with teams on the ground while maintaining the executive alignment needed to spur longer-term progress.

## **Use a phased approach to rolling out strike teams.**

While the incremental roadmap to improvement will look different in each state, there are likely to be clusters of states with similar problems, opening up the possibility for shared technical approaches and/or teams across states and perhaps even the development of key shared services at the federal level. The discovery work will be critical in illuminating these patterns and associated opportunities.

With this in mind, we recommend launching a phased approach to the strike force rollout that's rooted in the discovery sprint process. Taking this approach will provide valuable insights and allow U.S. DOL to make meaningful progress quickly, while remaining nimble and responsive to the information that emerges.

### **Phase 0: Do a landscape assessment.**

Gather basic information on the processing systems in each state, so that we can sort them into “mainframes” vs “Oracle databases” vs whatever. This could be over email or one structured interview per state. We recommend some questions here.

### **Phase 1: Pilot with 3 to 5 states.**

Pick no more than 5 states that represent the diversity of systems and sizes (based on Phase 0), and launch a 4-week discovery process in each state to help identify key issues, pain points, root causes, and key players. This information will be used to craft a prioritized roadmap of both quick wins and longer-term needs and to identify the specialized skills sets needed by implementation teams on the ground. This will also help U.S. DOL identify common issues across states, allowing for potential collaboration and the development of 2 to 3 central solutions.

For issues that won't be addressed with a shared service, these initial assessments can lay the groundwork for how U.S. DOL will award and measure the success of individual state grants. There should be an emphasis on defining and measuring outcomes such as modern payment timeliness, first contact resolution rates, and elastic claim processing capacity.

### **Phase 2: Expand to an additional 5 states.**

Use the information gathered in Phase 1 to inform the Phase 2 approach and the initial resources allocated to the discovery process. We recommend waiting to launch Phase 2 until meaningful work is underway to improve service in Phase 1 states, as that work will need to continue as the Phase 2 discovery work is launched.

The insights gathered from both Phase 1 and Phase 2 should be continuous and the information used to iterate on the roadmap, approach, and team composition.

## **Recommendation for the federal government**

We recommend that U.S. DOL deploy floating implementation teams to support the work of strike teams. These teams would work under the direction of each state team to solve specific problems.

As the discovery sprint work progresses in multiple states, you'll get a better idea of what kinds of teams are needed. There are likely to be similar technical and business process problems faced across states, opening up the possibility that support teams and solutions can be shared.

While we can speculate on what at least a few of these teams may be, any decisions about team composition or focus should wait until at least the first Phase of discovery sprints are

underway and there's an early roadmap.

## INTEGRATED COMMAND CENTER

A reliable integrated command center provides a mechanism for making strategic, timely decisions — both in a crisis and during calmer times. To be effective, the integrated command center needs to be highly visible across the organization and have the teeth to make decisions and changes rapidly.

### Stories from the field

#### California

California has been running a successful integrated command center on a weekly basis since Fall 2020. Every week, the team gets together to:

- Review available data on the backlog (including the top reasons associated with backlogged claims)
- Review “voice of the customer” data, which is a compilation of the top reasons for phone calls, electronic messages, and social media complaints
- Identify 2 top issues to address based on the data
- Hypothesize a root cause for each of the 2 issues and agree on solutions to root causes
- Review past solutions to see how they're working and what needs adjusting

#### Rhode Island

If you don't have enterprise-wide data visibility or the support for an integrated command center just yet, you can start on a smaller scale. Or you could start with one data source and what you can learn from it. Rhode Island regularly reviews the 400 codes that kick applications out of the automated process (“clean claims”) to manual review. This helps them identify opportunities to increase automation.

Or you could start with a weekly meeting focused on the top 2 issues that are known to you, as well as on how to develop more robust data capability.

[Read best practices for running an integrated command center from the California Strike Team.](#)

# DEMONSTRATION PROJECTS / PILOTS

State demonstration projects (pilots) are an excellent way to determine the “art of the possible” for reaching specific metrics and milestones. For example, a state may want to pilot:

- Same-day unemployment payments
- A new, largely-automated determination process
- A claim status tracker to increase first contact resolution rates and reduce contact center volume

## Demonstration projects don't have to be huge.

There are smaller-scale projects needed, too, like:

- Creating an easier-to-understand list of separation reasons
- Automating 1099 wage verification
- Ensuring that everyone's name is valid on unemployment applications

## Projects ideally result in shareable information, strategies, and tools.

A demonstration project could result in shareable code, but is more likely to result in other forms of shared collateral, such as:

- Reusable, non-code components that can be developed, rapidly tested, and iterated on
- More helpful categories for tracking call reason in a customer support center
- The “right” way to capture applicant names to accommodate special characters, people with no last name, etc.
- Ways to phrase common application questions that increases the percentage of people who are able to answer them successfully
- The ratio of people who preferred (hypothetically) chatbot to asynchronous contact from a call center, given all the options (This can inform staffing projections.)
- A rewritten claimant letter that more people can easily understand
- An optimized list of claim statuses
- A repeatable way to track equitable outcomes across race, ethnicity, gender, age, etc. across existing forms and processes

- Procurement language
- A benchmark for a best-possible first contact resolution rate

The best places for demonstration projects are states that want to be pilot sites and are fully invested in determining the art of the possible goals for increasing access and service to claimants. This approach pairs nicely with the strangler pattern, with a working group as a convenient way to disseminate successes.

## Story from the field

[Texas WIC](#) shared that when they introduce new ideas and features to their technology vendors, they have the vendor team share no-code mockups or prototypes and explain how the feature would impact operations before any code is written. This enabled the WIC program to better understand and direct the development efforts and ensure the final product met their needs.

## Recommendation for the federal government

President Biden's Executive Order On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government: "As part of this study, the Director of OMB shall consider whether to recommend that agencies employ pilot programs to test model assessment tools and assist agencies in doing so." U.S. DOL and/or private philanthropy could fund specific demonstration projects related to specific goals.

Apart from specific problems as suggested above, states can also model improvement on [specific unemployment modules](#) .

Possible demonstration pilots outlined in this report include:

- A central unemployment account where anyone can check their current balance and/or fix errors, without having to file a claim
- A central federal unemployment eligibility rules engine that states could consume to apply rules consistently
- Determining the optimal place for the federally-compliant identity verification process to live
- Measuring equitable outcomes for identity verification
- IRS wage verification for W2 employees
- Wage verification for gig workers
- Optimized applicant experience

- List of easy to understand reasons for separation
- Measuring payment provider performance
- Same-day unemployment benefits delivery
- Measuring first contact resolution
- Optimal contact center taxonomy and routing logic
- Employer-filed claims best practices
- Automating and speeding up employer verification

## COHORT IDENTIFICATION

When deciding which states to work with on [demonstration projects, in working groups](#), or in other contexts, it can be helpful to have a framework by which to group them into cohorts based on different topics and dimensions. Conducting an ecosystem survey can help identify some patterns and groupings.

### A cohort isn't inherently "good" or "bad."

A cohort isn't meant to be "bad" or "good," but merely a useful grouping.<sup>17</sup> For example, if you were interested in running a demonstration project to develop a more useful contact center taxonomy, you probably wouldn't want to start with a state that doesn't have a contact center.

### There are 4 major categories of states that need help.

While states are experiencing similar UI problems, the political/cultural landscape and level of digital maturity will vary from state to state.

#### Digital leaders

These are obvious first choice states because they have some modern technical expertise, technical resources, and a high commitment and openness to doing things differently. We recommend these as a Phase 1 cohort, because there will be fewer cultural barriers and they'll be able to make more progress quickly.

#### Early adopters

These states are in high need, eager for help, and open to doing things differently. But they differ from digital leaders, because they have little to no experience with modern tech

principles and practices. Progress may be slower, but there is a solid opportunity to build the foundation for more lasting institutional change. We also recommend early adopters as Phase 1.

## **Reluctant adopters**

States in this cohort are in high need and “open to help,” but they dislike disruption. Key leadership may say that they’re committed to U.S. DOL, but they express skepticism to their teams privately. They can also create barriers to system access, slow-walk new initiatives, or find a reason to end the partnership early.

To be successful in these states, U.S. DOL will need demonstrated commitment at key executive levels on the business and tech side (CIO and labor leadership). Recognize that longer-term change may or may not be possible here, and place them in Phase 2.

## **Openly hostile**

These states don’t want help and are taking action to undermine or disrupt benefit programs. We don’t recommend providing assistance to these states at this time.

## **There are additional cohort variables to consider.**

Other cohort variables could include:

- Presence or absence of a specific UI program (such as Short-Time Compensation)
- In-house IT teams vs vendor agreements (which may be harder to modify for a pilot)
- Political environment (e.g., divided government)
- Minimum wage laws
- Unemployment rates
- Unemployment claim volume
- Size<sup>18</sup> CLASP’s State Benefits Readiness Assessment Interim Framework is also a useful way for designing cohorts.

# **WORKING GROUPS**

Working groups are an effective strategy for providing a safe, practical place to troubleshoot challenges and share solutions.

## Working groups offer opportunities.

States that participated in the Center for Law and Social Policy's Work Support Strategies (WSS) Initiative credited participation in multi-state learning communities as a main driver of success. According to participants in the WSS, working groups can provide opportunities to:

- **Reduce isolation** — Regular interaction between people who do similar work can be motivating. It can be easier to deal with setbacks and press for change with a network.
- **Have constructive conversations** — When work group meetings are led by skilled facilitators, they provide the opportunity for structured, goal-oriented discussions.
- **Learn from others** — WSS members reported learning from professionals from different agencies within their own states, as well as from practices in other states.

## There are successful working groups to learn from.

[New America's Child Welfare Working Group](#) and [the Integrated Benefits Initiative](#) offer 2 promising models.

### **New America's Child Welfare Working Group**

This group of 18 states is generating a collection of promising practices and sharing resources. The following guidelines are the foundation of their success:

#### **MONTHLY TOPICS ARE DISTINCT AND WELL DEFINED**

This allows the group to stay focused on manageable problems.

#### **PARTICIPANTS DO THEIR HOMEWORK.**

Before the monthly meeting, each participating state meets with the facilitator for up to one hour to share their process, challenges, and questions.

#### **MEETINGS FOCUS ON SOLUTIONS.**

The group comes together to share promising practices. Based on the topic and interest, sub-groups may form to collaboratively work on shared challenges.

#### **THE GROUP CONTRIBUTES TO THE FIELD QUICKLY AND ITERATIVELY.**

It publishes promising practices on a public website after a formal clearance process. The emphasis is on collaboration and reusability, and members share exact policy language, forms, and spreadsheets.

### **The Integrated Benefits Initiative**

The Integrated Benefits Initiative was a collaboration between Code for America, the Center on Budget and Policy Priorities, and Nava Public Benefit Corporation. These organizations partnered with 5 states to pilot faster, more effective, and less expensive ways for people to access critical government services including SNAP and Medicaid. The fundamentals of this model are called out below.

### **PILOT STATES WERE READY TO WORK DIFFERENTLY.**

The pilot cohort was selected for their commitment to innovation — to experiment with new technology and methods, and to work together to consider and prioritize the client experience within their eligibility and enrollment processes. Each of the pilot states were in the middle of eligibility system modernization efforts.

### **THEY STARTED SMALL AND EXPERIMENTED WITH NEW PRACTICES TOGETHER.**

Pilots gave states an important opportunity to leverage human-centered design and agile methods to move faster on one aspect of their eligibility and enrollment process; to gather a wealth of user research; to rapidly prototype, test, and iterate; and ultimately to demonstrate impact on key outcomes to inform future work.

### **THEY SHARED RESEARCH AND APPROACHES EARLY AND OFTEN.**

With the goal of creating common modules that could be reused across states, organizations and pilot states shared research and their approaches to building eligibility and enrollment modules so they could move faster.

In the unemployment space, monthly topics could include wage verification for gig workers; collating voice of the customer data; providing claimant-friendly claim status; tracking contact center first call resolution rates; and so on.

## **Recommendation for the federal government**

Based on successes in complementary spaces — including the examples we provided above — we recommend that U.S. DOL create one or more working groups where state unemployment programs can come together to learn from each other. In the unemployment space, monthly topics could include:

- Wage verification for gig workers
- Collating voice of the customer data
- Providing claimant-friendly claim status
- Tracking contact center first call resolution rates.

These groups could be hosted by U.S. DOL or by private philanthropy (such as New America).

# SHARED SERVICES

There are multiple types of shared services currently or potentially in play for unemployment benefits.

## Each category of shared services offers its own pros and potential cons.

### 1. Verifying information from a single primary source

A shared service is the only real option for these:

- [Veteran Verification API](#)
- [Federal Civilian Service API](#)
- [IRS Wage Verification pilot](#)

### 2. Sharing data across unemployment systems

For the following shared services, possible bad outcomes can be balanced against success metrics, benchmark monitoring, and an escape clause for states if those benchmarks aren't being met consistently.

- [Cross-state wage verification](#) (ICON)
- Cross-state fraud information (Integrity Data Hub)

### 3. Providing a central service that multiple states can use

Here are a couple of examples of services that could be centralized:

- [Central, national unemployment account](#)
- [Identity verification](#)

The benefits of centralizing a service to a single place can mean improved service and lower cost. But if that shared service is terrible, it also means that everyone is stuck with bad service.

## When considering a shared service, ask these questions first.

- What is the definition of success? How will it be measured over time? How can participants see progress against these benchmarks?
- How will participating states hold the system accountable to benchmarks?
- Who is best suited to achieve these outcomes?
- How will changes be decided and prioritized? What happens when states disagree?
- What happens when states need state-specific functionality?
- Who pays?

### Weigh potential longer-term consequences.

For example, what happens to a shared or centralized unemployment benefits system if a political party takes control that wants to end or limit unemployment benefits? A central eligibility rules engine sounds great if its goal is to expand access to more eligible individuals. It sounds less great if it can then be used to programmatically deny large swaths of people benefits, in one place (instead of having to change the rules in 54 places).

### Learn from prior challenges to sharing services.

As states embark or consider embarking on multi-state software collaboratives, it's useful to look at what caused prior unemployment system collaboratives to fail, so as to avoid those pitfalls.

Challenges have included:

- Inability to resolve eligibility requirements across member states<sup>16</sup>
- Difficulty prioritizing new features fairly<sup>19</sup>
- Questions over whether a consortium model actually saved money<sup>17</sup>
- Inability to support the underlying technology<sup>18</sup>
- Disputes over intellectual property<sup>20</sup>
- Inability to hold the project accountable<sup>21 22</sup>

### Understand successfully shared services.

Here are a couple of examples of currently successful efforts:

- North Carolina reports a successful partnership with South Carolina<sup>23</sup> in co-creating a shared unemployment benefits platform. The two states can trade off responsibility for leading development of particular modules. For example, South Carolina led the creation of a mobile application for recertification and claim status. Once ready, North Carolina had to just review the file specifications in order to adopt it.<sup>24</sup>
- Multiple states reported finding the Bureau of Labor Statistics shared technology services to be positive.

Those involved have attributed success to:

- Starting small, with just a couple of states<sup>25</sup>
- Starting with a concrete, tractable problem<sup>26</sup>

## STATE / US DOL RELATIONSHIP

The relationship between U.S. DOL and states is adversarial, at best.<sup>27</sup> New U.S. DOL leadership that has come from states and advocacy organizations can make significant strides towards changing this.

### U.S. DOL can improve its relationships with states.

Here are some of the concrete opportunities we heard about in our interviews:

- Collaborating on UIPLs with states ahead of time, instead of surprising already-overwhelmed states with new requirements they may not be able to implement easily
- Collaborating on an approach to addressing [President Biden's Executive Order on Advancing Racial Equity](#)
- Awarding grants aligned to shared goals and incentives
- Providing shared services like a [plain language team](#), [cross-state wage verification account](#), and [military](#) and [federal employee](#) wage verification capabilities
- Shifting liability and responsibility for best practices for identifying and fighting fraud centrally, such that if a state adheres to the federal requirements, it won't be held liable for subsequent fraudulent activity

# OPPORTUNITIES FOR PHILANTHROPY

In addition to American Rescue Plan (ARP) funds, philanthropy could support the development of claimant-centric, effective unemployment benefits delivery by:

- Funding [demonstration projects](#) with key states with whom they are aligned on the given mission
- Starting a [working group](#) cohort to rapidly develop solutions to thematic challenges at a regular cadence, alongside larger demonstration projects
- Conducting a field blueprint to rapidly identify themes and patterns across states, to feed into cross-state solutions, identify partners for demonstration projects, and surface projects for the working group
- Funding an [Algorithmic Justice League audit](#) of identity verification vendors used in unemployment

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Go to the next section: [Acknowledgements](#)

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## NOTES

1. Each state's share was based on its proportionate share of FUTA taxable wages multiplied by the \$500 million. Most state laws require appropriation of these funds by the state legislature. [p171](#) ↩
2. <https://www.naswa.org/system/files/2021-03/usdolreleasesnaswareport.pdf> p206 ↩
3. <https://www.naswa.org/system/files/2021-03/usdolreleasesnaswareport.pdf> p208 ↩
4. "When asked about their greatest early accomplishments with Recovery Act funding, many states and localities pointed to their rapid start-up of the WIA Summer Youth Program and their ability to place hundreds or thousands of youth in summer jobs so quickly." (p [20](#) ) ↩
5. <https://www.nelp.org/publication/from-disrepair-to-transformation-how-to-revive-unemployment-insurance-information-technology-infrastructure/> ↩

6. <https://www.nelp.org/publication/nelp-testimony-michele-evermore-michigan-unemployment-claims-processing/> ↩
7. <https://www.newamerica.org/pit/reports/unpacking-inequities-unemployment-insurance/the-power-of-employers/> ↩
8. <https://www.codeforamerica.org/programs/insight-and-impact/scorecard/status-quo/> ↩
9. <https://www.newamerica.org/pit/reports/unpacking-inequities-unemployment-insurance/> ↩
10. <https://www.clasp.org/publications/report/brief/policy-recommendations-fight-poverty-hunger-health> ↩
11. <https://www.governing.com/now/government-programs-should-measure-how-well-they-help-people.html> ↩
12. [https://www.clasp.org/sites/default/files/publications/2017/04/WSS\\_Lessons\\_4.1.16-.pdf](https://www.clasp.org/sites/default/files/publications/2017/04/WSS_Lessons_4.1.16-.pdf)  
↩ ↩<sup>2</sup>
13. <https://www.newamerica.org/pit/reports/unpacking-inequities-unemployment-insurance/the-power-of-employers/> ↩
14. <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government/> ↩
15. From NASWA: “The 20 states analyzed were selected purposely to provide balance and diversity on factors such as population size, region, degree of co-location of Wagner-Peyser labor exchange services and WIA services, unemployment rate, health of the state UI trust fund [Reserve Ratio Multiplier], and UI reciprocity rate.” (p viii ) ↩
16. WyCAN was a multi-state unemployment insurance software consortium that included Wyoming, Colorado, Arizona, and North Dakota. The effort began in 2009 with a \$62 million grant from the U.S. Department of Labor, in addition to funding from the member states. They teamed up via a cooperative purchasing governance agreement to build a monolithic system that would serve all of their needs. The states’ benefits processes proved too different to be reconciled under a single system, and the work was abandoned, the unspent \$47 million returned to the Department of Labor. (p10)  
<https://softwarecollaborative.org/cooperatives/wycan> ↩ ↩<sup>2</sup>
17. Multiple State agencies also noted that while the original intent of tying USDA technology funding to consortia was to make technology cost-effective, it’s unclear if that intention has actually been met. State agencies that we spoke with who are not members of a consortium shared that their independence made it easier to make necessary and timely changes to their MIS. - [link](#) ↩ ↩<sup>2</sup>

18. “Iowa left the consortium early on due to concerns over Iowa’s ability to support the underlying .net technology (vs. the Java platform they were using).”  
<https://vermontdailychronicle.com/2020/04/22/scott-pulled-plug-on-troubled-ui-upgrade-then-this-pandemic-hit/> ↩ ↩<sup>2</sup>
19. While membership in a consortium allows WIC State agencies to share resources and funding, some State agencies have found that this model can make it difficult to get new features prioritized, and that the pace of development and releases can seriously delay critical improvements to the participant experience. Additionally, members of the consortia we spoke to explained that regardless of caseload or funds contributed, all members have equal voting power, which can be frustrating when needs are different due to a different scale of operations. - [https://s3.amazonaws.com/aws.upl/nwica.org/wic-technology-landscape-\\_final-report-design.pdf](https://s3.amazonaws.com/aws.upl/nwica.org/wic-technology-landscape-_final-report-design.pdf) ↩
20. “Agency of Digital Services Secretary John Quinn’s provided more detail: “The underlying issue is that Idaho is not willing to give up intellectual property rights of the system being developed, and they will not hesitate to act in the best interest of their state regardless of the effect on the consortium or partner states,” he explained to Vermont Daily earlier this week” <https://vermontdailychronicle.com/2020/04/22/scott-pulled-plug-on-troubled-ui-upgrade-then-this-pandemic-hit/> ↩
21. “VT and ND have been beholden to partner state Idaho as both VT and ND do not have the internal development staff to build their own systems. Idaho has been willing to collaborate with VT and ND who pay for Idaho resources involved with system development. Yet, as ID is a sovereign state, VT and ND have little to no recourse to hold ID accountable for the quality or content that is developed nor the timeline in which it is delivered.” <https://vermontdailychronicle.com/2020/04/22/scott-pulled-plug-on-troubled-ui-upgrade-then-this-pandemic-hit/> ↩
22. “Governance problems are well illustrated by the Internet Unemployment System (branded as “iUS”). This small consortium was started by the State of Idaho in 2012, building atop the successful work that Idaho had already done to modernize its unemployment software infrastructure, with Iowa and Vermont also participating. (Iowa later dropped out and was replaced with North Dakota.) The project continued clear through 2019, with Idaho performing the software development work. At the beginning of 2020, Vermont raised the alarm, complaining of governance problems: specifically, Idaho was willing to let other states borrow iUS, but was unwilling to let them make any modifications to it, and naturally prioritized the needs of Idaho over those of Vermont or North Dakota. The governors of the three states tried to resolve these conflicts and, unable to do so, agreed to dissolve the iUS consortium. (This story was recounted by [Vermont’s Agency of Digital Services’ Secretary John Quinn, in an April 2020 letter to the Vermont Daily Chronicle.](#))” (p9 ) ↩

23. This project began as a four-state consortium. Tennessee dropped out almost immediately, and Georgia withdrew around six months prior to launch. [↩](#)
24. South Carolina also solved some challenges, like obtaining official app store listings, that North Carolina was subsequently spared from. [↩](#)
25. “It’s important that co-ops start small; not 20 members, but 2.” - [https://beeckcenter.georgetown.edu/wp-content/uploads/2021/04/Sharing-Government-Software\\_Final.pdf](https://beeckcenter.georgetown.edu/wp-content/uploads/2021/04/Sharing-Government-Software_Final.pdf) [↩](#)
26. It’s also important that co-ops start by solving a small problem. They shouldn’t start by building an entire unemployment insurance claims system. They should start by building a common application form, a common fraud-detection interface, or a shared platform for submission of eligibility documentation. Co-ops should create something valuable that can be implemented rapidly, so that members can learn how to work in this way. (p11 ) [↩](#)
27. <https://usdr.gitbook.io/unemployment-insurance-modernization/ui-journey-map/the-agency-journey/relationship-with-us-dol> [↩](#)

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**Go to the next section: [Ecosystem Survey](#)**

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# Ecosystem Survey

## DRAFT ECOSYSTEM ASSESSMENT CRITERIA

This could be collected in a spreadsheet with a dynamic dashboard on top, so DOL could view things like % of states with/without mobile application views, and click to drill in. [5-minute MVP link here](#).

DOL may be able to conduct this survey without Paperwork Reduction Act clearance per [p55](#) of the CARES Act.

We recommend piloting the survey with 3 to 5 states before collecting additional data. This will allow you to identify any missing questions or confusing wording.

### 1. Do you use a digital analytics tool (e.g., Google Analytics) to monitor traffic on your website and corresponding applications?

- Yes, fully
  - Name of digital analytics tool:
  - What was the percentage of mobile users in the last 30 days?
  
- Yes, partially
  - Name of digital analytics tool:
  - What was the percentage of mobile users in the last 30 days?
  - What are the barriers (e.g., cost, staff time)?
  
- No
  - What are the barriers (e.g., cost, staff time)?

### 2. Do you have monitoring instrumentation (e.g., Splunk APM, New Relic) installed across your IT systems?

- Yes, fully
  - What is your uptime in the last 30 days?

- Yes, partially (e.g., You track some activities but not others.)
  - What is your uptime in the last 30 days?
  - What are the barriers (e.g., cost, staff time)?
- No
  - What are the barriers (e.g., cost, staff time)?

**3. What languages is your application available in?**

- List:

**4. Can a claimant complete the initial application process online?**

- Yes
  - Please check all the things a claimant can do online:
    - Change password
    - Update bank account
    - Reopen a claim
    - Certify a claim
    - Other:
- No

**5. Can a claimant complete the initial application process on a mobile phone?**

- Yes
  - Percentage who complete applications on mobile:
  - Please check all the other things a claimant can do online:
    - Change password
    - Update bank account
    - Reopen a claim
    - Certify a claim
    - Other:
- No

**6. How can a claimant apply? Check all that apply and include the number of claims you've received over the last 30 days.**

- Mail
  - Volume
- Website
  - Volume
- Mobile website
  - Volume
- Phone
  - Volume
- Other:

**7. How can a claimant recertify? Check all that apply and include the number of claims you've received over the last 30 days.**

- Mail
  - Volume
- Website
  - Volume
- Mobile website
  - Volume
- Phone
  - Volume
- Other:

**8. What vendor do you use for identity verification?**

- Name of vendor:
- Custom system
- None

**9. Does your identity vendor apply the AAL2 standard?**

- Yes
- No
- Not sure

**10. Does your identity vendor apply the IAL2 standard?**

- Yes
- No
- Not sure

**11. Do you use the same identity verification process for electronic and paper applications?**

- Yes
- We don't have paper
- No
  - Explain the difference:

**12. When do you require identity verification?**

- Always, for all claims
- Always, for electronic claims
- When requested by a claims processor

**13. Where in your process do you initiate identity verification?**

- At the very start
- After creating an account, but before starting an application
- During the application process
- After the application process
- On a case by case basis

**14. If a claimant doesn't pass identity verification, what happens? Check all that apply.**

- They can't file a claim
- They must file on paper
- They must call to file a claim
- Other:

**15. Do you have a paper application?**

- No
- Yes
  - What percentage of applications do you receive on paper?
  - Do you have one unemployment application address for the state, or local mailing addresses?
  - Do you receive paper applications at a central mail processing facility or directly to the office?
  - Are paper applications handled by hand or scanned and then processed electronically?
    - By hand
    - Scanned and processed electronically
    - Other:
  
  - How many pages is your paper application?
  - How many days, on average, does it take to open a new piece of mail?
  - Do you require that certain types of claimants (e.g, Veterans) apply on paper?
    - No
    - Yes
      - Please list:

**16. Is your application WCAG compliant?**

- Yes
  - How do you know?
  
- No
- Not sure

**17. Can claimants file by phone?**

- No
- Yes
  - What percentage of applications do you receive by phone?

**18. How can claimants recertify their claim? Check all that apply and tell us the percentage who selected each method in the last 30 days.**

- Online
  - Percentage:
- Phone
  - Percentage:
- Text Message
  - Percentage:
- Mail
  - Percentage:
- Other:
  - Percentage:

**19. Who is your payment vendor?**

- Bank of America
- ...

**20. What payment methods can claimants choose from? Check all that apply and tell us the percentage who selected each method in the last 30 days.**

- Check
  - Percentage:
- EFT
  - Percentage:
- Prepaid debit card
  - Percentage:
- Push payments to debit card
  - Percentage:
- Digital payments like Zelle, Venmo or CashApp
  - Percentage:

- Other:
  - Percentage:

**21. Do you have a call center?**

- Yes
  - Is your call center in-house (vs. run by a vendor)?
    - Yes
    - No
  - Does your call center (check all that apply):
    - Have live humans for real-time chat
    - Use technology like natural language processing to automatically respond
    - Collect messages, similar to email, for later manual response
  - Number of calls received in the last 30 days:
  - List of reasons for calls (if known)
- No

**22. Do you have a chat bot?**

- Yes
  - Does your chat bot (check all that apply):
    - Have live humans for real-time chat
    - Use technology like natural language processing to automatically respond
    - Collect messages, similar to email, for later manual response
  - Message volume:
  - List of reasons for chats (if known)
- No

**23. Can claimants make overpayment payments online?**

- Yes

- No

**24. If the same person leaves a message using 2 or more methods (e.g., phone and email) are you able to connect that they're from the same person?**

- No
- Yes
  - How?

**25. What is your contact center's first contact resolution rate for the last 30 days?**

- %:
- Unknown

**26. Who supports your contact center technology?**

- AWS Connect
- Verizon
- Other:

**27. How did you integrate PUA into your application process?**

- After an applicant completes the application, we determine if they were traditional UI or PUA
- The applicant chooses on the application whether they are applying for traditional UI or PUA
- We built a separate PUA application / separate system

**28. Which technologies support your UI claim processing? Check all that apply.**

- As/400
- IBM mainframe
- .NET
- Oracle

**29. Do you have a staging and/or test environment that mirrors production?**

- Yes
  - Do you use this for usability testing?
    - Yes
    - No

- Do you use this for capturing screenshots for training materials?\*\*\*
  - Yes
  - No
- No

**30. Do you have real-time monitoring of downtime and alerts?**

- Yes
  - Vendor (e.g., New Relic, Splunk APM):
  - What is your overall uptime?
- No
- Not sure

**31. What vendor(s) support your UI claim processing technologies? Check all that apply.**

- In house team
- Local contracted team/company
- State IT department
- Deloitte
- Accenture
- EY
- Other:

**32. Do you allow employers to bulk upload layoff information to initiate unemployment claims?**

- Yes
  - Explain:
- No

**33. Do you have a Short-Time Compensation (STC) (otherwise known as Work Share) program?**

- Yes
- No

34. Do you have a “waiting week”?

- Yes
  - No, we temporarily suspended it for the pandemic
  - No
- 

Go to the next section: [Draft Strike Team Assessment Output](#)

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# Draft Strike Team Assessment Output

**A process map of the claimant and employee experience of an unemployment claim, including, but not limited to:**

- Applying for “regular” UI
- Applying for PUA
- The process map(s) should include:
  - Names of underlying systems
  - Error rates
  - Volume rates
  - Processing times (e.g. this task takes, on average, 6 minutes)
  - Wait times (e.g. this task waits, on average, 6 days to be completed)
  - Type of employee who can complete a step and number of these employees, as applicable
  - Escape hatches
    - Ways escape hatch can be exploited and mitigating factors
    - Also note absent escape hatches

**An instrumented dashboard that calculates backlog at least once per day.**

- Definition should be **shared** across sites and determined by U.S. DOL, though the underlying math will differ (could start with CA strike team definition)
- This must have clear differentiation by claimant (e.g. one claimant can only count in the backlog once)

**A workload management tool that enables leadership to work down claims most efficiently.**

- This can be a software tool or a spreadsheet
- Each step should include:
  - Average time to complete step

- Volume of claims in this step (# of pending tasks)
  - Number of available employees who can complete this task (averaging in average attendance)
  - Number of assigned employees
- 
- Steps must consider dependencies (e.g. if Step 2 follows Step 1, all claims that complete Step 1 on Monday should appear in Tuesday's workload for Step 2)

**A proposed mechanism for capturing and monitoring equitable outcomes (e.g. race, ethnicity, gender, age).**

**An initial plan for how the agency can realistically add automation and elastic resources to scale capacity up/down (with numbers).**

**An analysis of what, if any, shared service(s) the state does or could benefit from.**

- For existing shared services, details on what needs to be improved for it to be effective
- For non-existent shared services, details on what it needs to do, and how the state would integrate with it

**An initial plan for how the agency can define and concretely, automatically measure success in terms of benefits delivery for claimants (accuracy, timeliness, and equitable access), fraud reduction, and elastic capacity.**

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