Nomination for 2021 NASCIO State IT Recognition Award

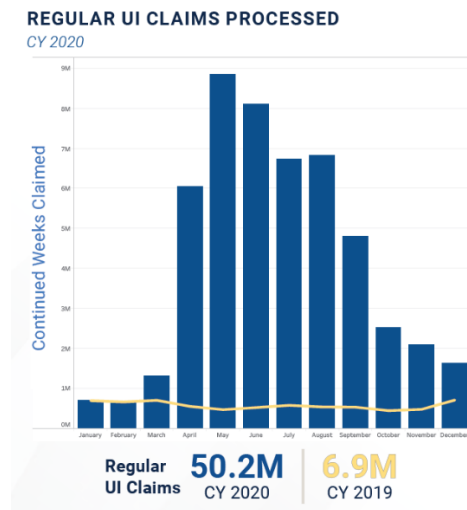**New York State**

Office of Information Technology Services

Digital Services: Government to Citizen

<u>**Families in Crisis:**</u>

Unemployment Insurance Pandemic Response Efforts

March 2020 – April 2021

Angelo "Tony" Riddick, CIO
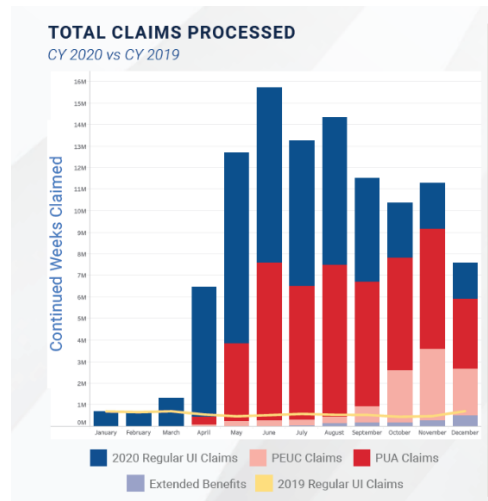
Executive Summary

When COVID-19 hit New York State (NYS) in March 2020, the demand for Unemployment Insurance (UI), as well as other COVID-19 specific federal benefits like Pandemic Unemployment Assistance (PUA), was unprecedented. Typically, there is a gradual build-up as the economy recedes which results in a continuous, predictable and manageable increase in claimants applying, certifying, and making support calls to the NYS Department of Labor (DOL) for UI benefits. Usually, dramatic and sudden increase in UI claims is due to natural disaster emergencies and the resulting increase to benefit claims is confined to a specific region of the state, making the increase relatively manageable. With COVID-19, the impact was unparalleled, statewide and immediate. The volume of new UI claims in 2020 skyrocketed to over 4 million compared to previous years' average number of claims at 600,000. The increased volume created unprecedented stress on DOL's IT infrastructure and applications, as well as their call center. NYS had to react quickly to accept, process and pay on claims for many NYS families that desperately needed benefits.

What problem or opportunity does the project address?

While many DOL UI applications provide self-service, the IT platform was not scalable with demand. As a result, many customers turned to the DOL Telephone Claims Center (TCC) for assistance. The TCC experienced a surge in the volume of calls that required NYS to identify multiple ways to expand methods of electronic communication both to and from claimants; and to change reliance on the TCC as the singular source of some information about claims. Processes needed to be streamlined quickly and claimants needed information to understand both existing and new processes, especially related to actions an individual needed to take to resolve their claim.

The road map consisted of improving DOL's capacity to receive UI applications, process them with less manual intervention, make self-service information available, and make timely payments to an unprecedented volume of claimants.

TOTAL CLAIMS PROCESSED
CY 2020 vs CY 2019

Continued Weeks Claimed

16M, 15M, 14M, 13M, 12M, 11M, 10M, 9M, 8M, 7M, 6M, 5M, 4M, 3M, 2M, 1M, 0M

January February March April May June July August September October November December

■ 2020 Regular UI Claims ■ PEUC Claims ■ PUA Claims
■ Extended Benefits ▬ 2019 Regular UI Claims

These efforts required participation from all levels of State Government including:

- DOL and ITS leadership
- DOL Program leaders, SMEs, and ITS and DOL project managers
- ITS CTO including enterprise developers, architects, and infrastructure team
- ITS Business Solutions, Security, Data Warehouse, and Relationship Management teams assigned to DOL
- Several vendors including Google, IBM, UI Path, GovDelivery and DocuSign

With well over 100 project participants, eagerness to deliver in a timely fashion, and several stakeholders and entities with oversight, the key to success was superb program, project, and communication management, and incredible leadership and technical innovation by ITS staff. The entire team took DOL's mission very seriously and worked tirelessly to help their fellow New Yorkers.

Starting in March 2020 and continuing for the next 13 months, NYS took the following technical steps to improve Digital Services to Citizens:

1. NYS ITS worked tirelessly nights and weekends to expand network and server capacity on the existing platform serving claimants to whatever extent was possible.
2. NYS DOL and ITS partnered with Google to create a new, fully extendable cloud-based Unemployment Insurance application that could, using automated business logic, determine at claim creation if the claimant should apply for traditional UI or the new federally enacted PUA. The first version of this application was live in 2 weeks on April 10, 2020. This cloud application provided the scale NYS DOL now needed and new features like bookmarking so claimants could come back to an incomplete claim and continue the claims filing process at a later time.
3. NYS DOL and ITS partnered with UI Path to set up automated "BOT" processes to help with a multitude of tasks that previously required humans. Most significantly, a BOT process was quickly established to help with the back-end processing of PUA claims. In the past 12 months, BOTS have completed over 600,000 PUA related tasks and made it possible to process the multitude of claims that would have been impossible otherwise.
4. NYS worked to use automated electronic messages to communicate claim status at each step of the claim process to claimants. These e-messages provided claimants with details regarding

next steps in the process and a timeline for when they could receive payments. This drastically reduced concern and the number of claimants trying to reach the TCC by phone.

5. NYS partnered to develop an electronic document process to collect back-dated certifications for weekly UI benefits from claimants. Previously, claimants had to call the TCC to certify for past weekly UI benefits for weeks that occurred prior to their application. The PUA legislation stipulated to pay claimants retroactively which the vast majority of claimants required. The pandemic related volume and understaffed TCC would not have allowed for the processing of back-dated weekly UI certifications in a timely fashion. By early June 2020, DOL used the new process to pay out $1.4B in benefits to 623,000 unique claimants.

6. In March 2020, the Federal CARES Act was signed into law. This included provisions for the new PUA program, as well as to extend traditional UI benefits and added an additional $600 Federal Pandemic Unemployment Compensation (FPUC) payments for anyone collecting UI or PUA. The mainframe development team updated countless existing applications and batch processes in order to implement the new programs and make new payments. The talented development team made substantial changes to the preexisting system under intense pressure, delivering on time.

7. In August 2021, the Lost Wages Assistance (LWA), a new Federal program providing up to 6 weeks of additional benefits to qualified claimants, went into effect. This program was similar to FPUC that the existing code was not reusable. DOL, ITS developers and the Data Warehouse team were able to use new business rules to determine the target population, leveraged new e-messaging to inform the eligible claimants, and implemented a new process to collect the LWA certifications from claimants. NYS was able to start making payments by September 14, 2020.

8. In December 2020, the Continued Assistance for Unemployed Workers Act was passed by the federal government to extend the provisions of the CARES Act and expand monetary relief available to employers. It re-introduced the $300 FPUC payments that had expired in July and provided for the Mixed Earners Unemployment Compensation Program (MEUC); a new program targeted to provide additional relief to some of the less traditional workers. The team was able to leverage the design patterns for LWA with new code to expedite design and implementation. NYS led the way as the first to implement the new FPUC and successfully implemented MEUC and the employer's relief funding.

9. On March 11, 2021, the American Rescue Plan was signed into law.   This extended UI, MEUC and PUA benefits for an additional 25 weeks. The changes required to implement these extensions were ready by March 19, 2021.

10. As the American Rescue Plan extension went into effect, many of the UI claims originally filed in Spring 2020 started to expire. ITS collaborated with DOL to mine and provide data and leverage new logic that would reduce the number of reapplications. DOL and ITS developed very specific messaging to reduce claimant inquiries and to target the claimants with instructions specific to their scenario. This allowed DOL to drastically reduce the need for reapplications for new claims for continually eligible claimants, providing better service to those claimants while reducing DOL's overhead and processing, and continue benefits without interruption.

11. In order to combat fraud attempts, NYS developed a new application for claimants to report if they suspected a fraudulent claim was filed using their identities, enhanced all current identity proofing, and built new processes to quickly check for possible fraud. NYS also collaborated with a vendor to provide extremely strong identity proofing. It was first implemented against

some current claims and soon after NYS incorporated real-time verification before the submission of any PUA claim. This enhancement alone immediately and significantly reduced fraud attempts. The design and development of additional integration points with is in process in order to further eliminate fraud.

12. Due to the massive volume of phone calls that grew from an average of 10,000 a day to over 2 million calls in a single day, a variety of environmental and software mechanisms were put in place to help stabilize the DOL TCC services. NYS expanded the Contact Center IT platform by 6 times and processes were segmented including a separate IVR environment to handle weekly UI certifications from millions of claimants. NYS also implemented outbound calling initiatives, priority call routing, new self-serve IVR applications for PUA and LWE, and integrated softphones were added to help facilitate tele-work for the TCC.
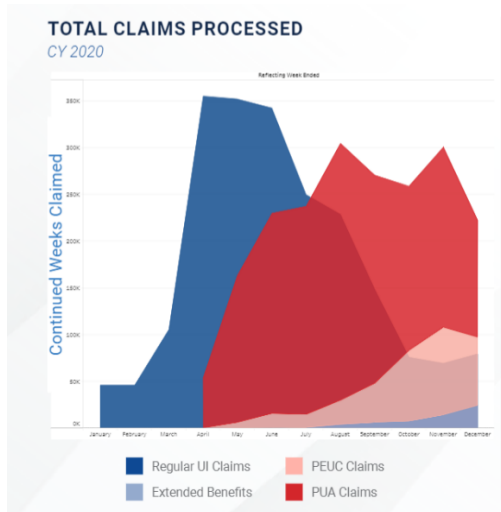
Why does it matter?

Millions of New Yorkers relied on DOL to deliver urgently needed benefits and to assist them in navigating the processes of the bureaucracy. NYS DOL and ITS staff took immediate action worked tirelessly to innovate and offer technological solutions.

Through creativity, collaboration, and hard work, ITS was able to augment the existing mainframe system of record for claims and payment processing with new technology to dramatically reduce the number of claims needing human intervention and to keep up with the claim-load in order to deliver timely payments to millions of New Yorkers.

What makes it different?

The pandemic claimant volume was unprecedented even for 30-year veterans of DOL because of the sudden and previously unfathomable demand for Unemployment Benefits. The scale was unmatched and immediate and there was no experience or playbook to follow. There was unavoidable dependency on the legacy mainframe as the system of record. NYS had to expand and augment the current system quickly with to provide more electronic communication, processing, and access to information to a massive and quickly growing claimant base.

The rapid expansion of the current platform along with the launch of the new cloud-based Google PUA application and the creation of BOTS trained to evaluate the claim data and make updates based on business rules defined by DOL staff allowed us to process 14.3B in regular UI plus an additional 9.3B in PUA benefits for calendar year 2020.

TOTAL CLAIMS PROCESSED
CY 2020

Legend: Regular UI Claims, Extended Benefits, PEUC Claims, PUA Claims

Combined with the existing system, the process to use electronic signatures to collect weekly certification data for weeks that were previously missed NYS was designed and developed within less than two weeks and allowed NYSDOL to collect, process and pay out almost 13 million individual weeks of benefits before the end of May 2020 and an additional almost 16 million weeks of benefits in June. In the past 12 months, DOL has processed more than 6.1M back week certifications using this new electronic process.

BENEFITS PAID	CY 2020	CY 2019
Regular UI Claims *Total benefits paid*	$14.3B	$2.1B
Pandemic Unemployment Assistance	$9.3B	$0
Federal Pandemic Unemployment Compensation	$28.3B	$0
Pandemic Emergency Unemployment Compensation	$3.1B	$0
State Extended Benefits	$452.9M	$0
Sub Total	$55.5B	$0
Lost Wage Assistance	$4.1B	$0
All Claims *Total Benefits Paid*	$59.6B	$2.1B

What Makes it Universal?

While each state had a different starting point, in addition to addressing all the new demand for traditional UI, all states had to find a way to implement and make immediately available new Federal programs including PUA, FPUC, LWA and MEUC on very tight time frames. With the implementations of the Federal CARES Act, the Continued Assistance for Unemployed Workers Act and later the American Rescue Act, three times in one year NYS DOL and ITS reacted quickly to modify, enhance, update, innovate and improve the UI system to meet the demands of the new programs very quickly. While some states struggled to implement these new programs in a timely fashion, NYS was one of very few states that implemented all 3 programs in the timeline that was requested by the Federal government. NYS again proved itself a leader while astonishing and providing guidance to other states as those states looked to match the performance of NYS for these new federal programs.

Even though NYS is starting to see a significant reduction in UI and especially PUA claim volume, the current customer base claiming weekly benefits and seeking re-employment assistance is still higher than the any of the past historical peaks.

In 2019, the DOL started a 2+year modernization project to build a new IT system to support the entire unemployment system. That project was essentially halted during the first months of the pandemic but DOL has aggressively resumed efforts while also continuing to support the pandemic. The fully modernized UI system is scheduled to be delivered in December 2022.

The new Google application continues to be enhanced and expanded and will be serving customers until it is replaced by the new system.

DOL and ITS have continued to expand the use of electronic signatures to quickly and securely collect data and attestations required from claimants.

We continue to expand the use of automated BOT processes and save DOL from manual efforts.

Finally, we are working with the vendor Eightfold to provide a fully operational virtual career center platform that integrates with the existing re-employment case management system and provides effective and convenient job search assistance and individualized job matching to job seekers.