

Award Category: Operational Efficiency

Tennessee Department of
Labor and Workforce Development



AUTOMATION IN ACTION: **MOVING THE NEEDLE FOR TENNESSEE UI BENEFITS**

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EXECUTIVE SUMMARY

In February 2024, the Tennessee Department of Labor & Workforce Development (TDLWD) launched a modern, integrated system for unemployment insurance (UI) benefits and appeals. The new system meets Americans with Disabilities Act standards and Web Content Accessibility Guidelines with features such as plain language communications. The new system also includes an upgrade to *jobs4TN*, a mobile-friendly, 24/7 online portal for claimants and employers that streamlines tasks such as registration, claims filing, and weekly certifications.

The new system boosts efficiency by automating time-consuming tasks, enhancing fraud prevention and detection, and reducing errors, enabling staff to focus on high-value work. The system is designed for simplicity, stability, and scalability, allowing it to reliably handle high claim volumes during economic downturns.

Features such as real-time eligibility checks, automated chatbots, and advanced fraud measures improve transparency and operational effectiveness for both claimants and staff. Within the first 3 months, the new system has processed over 35,000 new unemployment claims, 200,000 weekly certifications, and \$50 million in unemployment payments.



IDEA

WHAT PROBLEM OR OPPORTUNITY DOES THE PROJECT ADDRESS?

TDLWD’s legacy UI system was cumbersome to maintain and modify. These deficiencies only worsened with time, contributing to delayed benefit payments, a growing workload of pending claims, and an overwhelming volume of customer service calls. The agency urgently needed a user-friendly solution to **improve the claimant experience and support timely benefit delivery**, especially during periods of high unemployment.

WHY DOES IT MATTER?

Tennessee’s UI system needed modernization to fulfill its role as a vital safety net. Timely benefit access supports individuals in financial distress and promotes broader economic stability. The COVID-19 crisis highlighted the need for scalable systems during downturns; without modernization, TDLWD faced growing workloads, staff strain, and claimant dissatisfaction. The agency’s outdated system also hindered fraud prevention and tied up staff with repetitive tasks, diverting focus from high-value work.

WHAT MAKES IT DIFFERENT?

This project was one of the main factors that prompted the creation of the Office of Transformation within TDLWD. Born directly from the UI modernization initiative, this office now leads efforts to guide and support IT modernization across all divisions.



WHAT MAKES IT UNIVERSAL?

TDLWD’s modernization tackled challenges faced by state agencies nationwide, including outdated infrastructure and an expanding environment of cyber risk. The agency enhanced accessibility and customer experience by launching jobs4TN, a user-friendly, customer-centric digital portal with features such as:



An AI-powered digital assistant



Business intelligence tools for data-driven decision-making



Identity verification and fraud prevention



The initiative also contributed to workforce services and economic stability nationwide through participation in National Association of State Workforce Agencies (NASWA) programs, including the Unemployment Insurance Interstate Connection Network (ICON), Integrity Data Hub (IDH) and State Information Data Exchange System (SIDES).



IMPLEMENTATION

WHAT WAS THE ROADMAP?

The benefits system was prioritized for replacement. TDLWD's long-term vision for simplicity, stability, and scalability guided the vendor selection process. Any new system would be evaluated based on its ability to handle high volumes, automate manual tasks, reduce errors, and improve overall efficiency.

In early 2019, TDLWD began identifying potential vendors. The UI tax and benefits system modernization marked the start of a broader enterprise approach to upgrading critical infrastructure across the agency.

After several months of vendor evaluations, system demonstrations, and peer consultations with other state UI programs, TDLWD selected Fast Enterprises (FAST) to implement the new benefits system. The contract was executed on September 16, 2022, and FAST team members were on site and fully engaged in project work by September 19.

WHO WAS INVOLVED?

TDLWD worked closely with the software vendor and the state's centralized IT division, Strategic Technology Solutions (STS), to plan and support the modernization effort. From day one, TDLWD invested in the project by dedicating its top staff to system development. Usability studies involving claimants and employers shaped the system's configuration.

HOW DID YOU DO IT?

TDLWD chose to implement a purpose-built, commercial off-the-shelf platform to eliminate the risks associated with other approaches. **The system infrastructure has the power and flexibility to handle complex interfaces and high user demand.**

Rigorous testing began in June 2023, with UI benefits staff testing over 4,000 scenarios to ensure functionality. Staff also built confidence by practicing in a sandbox environment during system downtime.

TDLWD adopted a collaborative, iterative approach to maintain momentum and streamline decision-making. Teams were co-located by function, fostering trust, joint ownership, and faster issue resolution. To ensure timely outcomes, TDLWD empowered staff to make decisions, eliminating the typical approval chains that cause delays and bottlenecks.

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Launch day went smoothly—thanks to robust testing and preparation, staff and customers were able to access and navigate the system confidently. Minor issues, such as with authentication emails, were quickly resolved with little impact on customers.



WHAT DID THE PROJECT MAKE BETTER?

The new UI benefits system significantly improves user experience for both customers and staff. The intuitive, mobile-friendly jobs4TN portal makes it easier for claimants to apply for benefits, certify weekly, and access information on their own schedule. Real-time eligibility checks, instant notifications, interactive help, and automated chatbots increase transparency while reducing call volume and wait times.

By automating outdated manual processes, the system decreases errors and frees staff to focus on high-value tasks. For example, customers can now reset their own passwords without contacting agency staff. Tasks like registration, certifications, and appeals are faster and simpler for both customers and staff.

The new system connects seamlessly to national platforms like NASWA's ICON and SIDES, improving data exchange and collaboration between states. The new system also enables **quicker deployment of Disaster Unemployment Assistance (DUA)** following disaster events and better handles increased demand.

On the legacy system, customers faced confusing processes and frequent delays, relying heavily on staff for basic transactions. The new system has transformed customer experience with features such as:



-  **User-friendly design with clear language and simple navigation for all users**
-  **Streamlined workflows that require fewer clicks and consistent processes for staff**
-  **Reliable performance thanks to predictable operations and repeatable procedures**
-  **Scalability that can manage high claim volumes**
-  **Improved communication via accessible, multichannel messaging**
-  **Real-time insights from reports and data to enable better decision-making**
-  **Enhanced fraud detection and prevention measures**

These improvements have significantly enhanced public trust. Thanks to the new system, TDLWD can deliver a modern, responsive, and efficient experience while supporting compliance and accurate, timely benefit payments.

HOW DO YOU KNOW?

In the first 3 months alone, TDLWD processed over 35,000 new claims, completed over 200,000 weekly certifications, and paid over \$50 million in UI benefits. Within 24 hours of the new system's soft launch, 5,900 Tennesseans had created new accounts and completed weekly certifications faster than ever before.

BY THE NUMBERS

51% REDUCTION

In average weekly certification time from

15 MINS TO **7.3 MINS**

4,600 FEWER

UI-related calls per month in the first 2 months and an average of

6,500 FEWER

UI-related calls per month since the launch

1,200 MORE

First-time claimants paid per month on average and an average of

1,000 MORE

First-time claims paid per month since going live

PERFORMANCE MILESTONES

- **TDLWD eliminated its claims workload within 3 months of launching its new system** and has since continued meeting timeliness standards.
- **The agency has consistently met federally mandated, U.S. Department of Labor's (USDOL) timeliness and quality standards** for the first time in years.
- **In the third quarter of 2024, TDLWD met USDOL Benefits Timeliness and Quality (BTQ) standards** in non-monetary determination separations and non-separations for the first time since 2008.



WHAT NOW?

February's launch marked the first step toward a harmonious UI system in Tennessee. Having successfully implemented UI benefits, TDLWD now plans to integrate UI tax functionality with the new system in May 2025.

TDLWD's decision to move forward with the same system for its tax modernization was driven by the positive outcomes of the benefits rollout and the strong foundation it laid. Employers who have already accessed the jobs4TN portal for benefits will be familiar with the platform, easing the transition as tax functionality rolls out.

The lessons learned and partnerships formed during the benefits project are shaping a more standardized and effective process for future initiatives. By continuing to invest in the new system, TDLWD is ensuring long-term efficiency, scalability, and improved service delivery for 7.2 million Tennesseans.

