

Unemployment Compensation Benefits Modernization Advisory Committee
Annual Report
June 26, 2019

I. Purpose

This report is submitted in accordance with Act 60, P.L. 1191, Section 301.4 of the Unemployment Compensation law which requires that the UC Benefits Advisory Committee submit an annual report assessing the progress of the implementation and deployment of technological upgrades to the unemployment compensation system.

II. Advisory Committee

Department of Labor and Industry Appointees:

David Naisby, CIO, Employment, Banking, & Revenue Delivery Center
Barbara Mourer, UC Ben. Mod. Senior Project Manager, DLI
Stacy Eshleman, Employment Security Specialist 3, DLI

Legislative Committee Appointments:

Shawn Eyster, Director, Senate Republican Computer Services
Geoffrey Moomaw, President, Interstate Tax Services, Inc.
Julia Simon-Mishel, Supervising Attorney, Philadelphia Legal Assistance
Michael Johnson, Data Director, PA AFL-CIO

Since our 2018 report, the Committee has convened for five public meetings: September 13, 2018, November 28, 2018, March 14, 2019, and June 5, 2019, and June 17, 2019. In addition to the Committee members, leadership from every division of the Office of UC has attended the meetings to provide information, feedback, and support.

III. Process Review

The Committee has had the full participation and support of DLI, which is committed to a participatory and transparent modernization process. The modernization process has included front line staff from the Service Centers and subject matter experts. DLI has taken steps to ensure sufficient oversight, including the consistent participation of the Office of UI leadership in the project. DLI has provided the Committee with several module demonstrations of the new product, including: appeals, personal dashboard, and initial claim filing. DLI has engaged in discussion with Committee members concerning their feedback on these modules.

IV. Project Timeline

As the chairpersons are aware, the project timeline was updated in February 2019 and the new go-live date is October 2020. The Committee understands the original project timeline was aggressive and fully supports the decision to delay the go-live date. Modernization projects are complex and involve considerable staff time, policy considerations, and the integration of new technology and business

practices. DLI remains committed to an efficient timeline. DLI and the Committee recognize that the primary goal must be to successfully implement a functional system.

V. Project Budget

The project remains on budget. None of the delays have affected the overall project budget and DLI leadership remains committed to vendor accountability and has done its due diligence with the budget. DLI leadership must approve all payments. In July 2018, DLI paid the first deliverable milestone of \$2.6 million. Since then, approximately \$3.8 million in software implementation costs has been approved. DLI will also permit GSI to invoice approximately \$2.1 million for software license maintenance. DLI is closely tracking the vendor's progress and will hold the vendor to all contractual obligations.

The Committee fully supports legislation that provides DLI with more flexibility on how they draw down the funding for this project. This would permit DLI to structure its spending on the project in accordance with the benchmarks hit by the vendor. The Committee has been impressed with DLI's fiscal control and is concerned that, without such legislation, DLI may lose allocated resources that will impact the project budget.

VI. Project Functionality

The project is currently in the design and build-out phase. DLI has been open to suggestions by the Committee towards the design and functionality of the system. As of now, the Committee has seen great improvements in the functionality of the new system that will provide claimants and employers with significant self-service tools. These self-service tools should reduce the number of calls made to the Service Centers and require less intervention of DLI staff in claim management. The Committee will continue to engage DLI on the process of reviewing various functional components and user testing.

VII. Recommendations

Act 60 requires this Committee to report on any recommendations made to DLI and whether those recommendations have been accepted. The Committee has made the following significant recommendations:

Correspondence. As part of the UC Benefits Modernization project, DLI will need to issue new correspondence, including but not limited to: notices of financial eligibility, notices of determination, confirmation of appeals, and Referee decisions/orders. While some of these documents appear to have more streamlined and easier to understand language, Committee members have requested review of new documents to ensure language changes will not cause confusion to employers or claimants upon implementation. It is imperative that Committee members have the opportunity to provide feedback that can be incorporated before the notices are finalized.

Department's Response: DLI will work with the Committee to provide feedback to certain identified correspondence. DLI may incorporate this feedback, as appropriate as the timeline allows, in order to meet the revised project schedule in support of the new go-live date.

Extensive Community Outreach and Education. Begin outreach about the changes to PA UC as soon as possible and provide significant training and materials to PA CareerLink®. Employer and worker groups, social service organizations, political offices, labor organizations, and community groups should also be involved in the community education roll-out. Committee members Geoff Moomaw and Julia Simon-Mishel have volunteered to assist with this effort. The Committee has requested the full project timeline to ensure adequate time is built in for community outreach and education.

Department's Response: DLI agrees with the need for community education. This will be coordinated by UC Directors through the change management process. DLI has already begun thinking through its strategies for reaching users of the system. DLI has raised concerns about starting outreach too early prior to the actual implementation date. DLI has provided key dates to the Committee including the start of external communication planning.

Integration with PA CareerLink®. Early on, DLI informed the Committee that the UC Benefits Modernization project would not result in integration with the PA CareerLink® website by the time the new system is implemented. DLI is also including new work search reporting fields in the weekly certification for benefits. The Committee is concerned that a lack of integration will be confusing to claimants, who will be asked to register a significant amount of personal information with two separate websites before they can be fully registered for unemployment benefits. It will also diminish the accuracy of work search reporting.

Department's Response: DLI has stated that common intake integration is outside of the scope of the implementation timeline and would be a consideration post go-live.

Improved Telephone Options. DLI has informed the Committee that, concurrent with the implementation of the new GSI system, DLI will end its contract with the vendor for the state's "IVR" system – the automated telephone claims filing system. In addition to the new on-line claims filing claimants will also have the option to call the state-wide number to file their weekly certifications to receive benefits. The Committee is concerned about how this will affect claimants who need to continue using the telephone filing system instead of the online system. Given the problems with DLI's central phone system over the years, the Committee has recommended there be a way for claimants to file by phone that will not be affected by busy signals or long wait times for claim assistance calls.

Department's Response: DLI is dedicated to building a self-service system and improving customer service. DLI will consider options within its current telephone system to route claimants to weekly claim filing.

Equal Access. The current system design provides online portal access to Third Party Administrators (TPA) who represent employers in Pennsylvania. This allows the TPAs access to claim records, claim notices, and other documentation for the employers they represent, while also providing them with the opportunity to use self-service tools, online appeal filing and hearing scheduling systems. As of now, DLI has stated there will be **no similar access for claimant representatives**. The Committee feels strongly that equal access and treatment is required and that there should be a way to configure the TPA portal access to also accommodate claimant representatives.

Department's Response: The GUS solution will allow TPAs access to employer portal to manage PA employers they represent. The TPA has limited access to claimant records. DLI understands this concern and has informed the Committee that the current contract does not include requirements for claimant representatives. This would be an enhancement for consideration post go-live.

VIII. Conclusion

The Committee is pleased with DLI's transparency and cooperation and will continue to provide support and oversight as we seek to ensure a system that functions well for DLI, workers, and employers. We expect to continue meeting consistently over the next year and will make additional formal recommendations at the appropriate time.