

# Unemployment Insurance Modernization Update



**OSEC Office of UI Modernization &  
Employment & Training Administration**



# Lessons from the Pandemic

## UI programs during the pandemic succeeded at

- Providing critical benefits to more than **53 million** Americans and pumping **\$870 billion** into the economy
- Staving off an even deeper economic crisis by keeping **5 million workers** out of poverty

## But these programs also faced challenges, such as:

- State systems overwhelmed by the **rush of pandemic claims**
- The Pandemic Unemployment Assistance (PUA) program resulted in rise of **identity fraud** and other criminal strategies to abuse taxpayer money



# Office of UI Modernization

**Office of UI Modernization established by Secretary Walsh in 2021 to provide strategic oversight for **UI Modernization funds** under Section 9032 of the CARES Act, towards three congressional mandated goals:**

- Improve fraud prevention and detection
- Ensure timely payments of benefits
- Promote equitable access



# Fiscal Responsibility Act of 2023





# UI Modernization Overview - ARPA

- **DOL launched a new, coordinated approach to modernizing the UI program.**
  - Previous federal investments (nearly \$400M from 2011-2017) in state UI Modernization did not result in significant improvements – over 25% of projects failed or were discarded, 38% were over budget, past due, or missing critical features.
  - Modernizing UI requires sustained outcomes-based federal funding, clear goals and standards to achieve, and technical assistance to the 53 states and territories
- **States are in dire need of technology and system improvements, especially since the pandemic.** Both the GAO and the OIG support strategic investment of the American Rescue Plan Act (ARPA) funds as part of an anti-fraud strategy and maximize positive impacts for claimants and states across the system.



# ARPA Efforts to Improve UI Program Integrity

- 1. Investing in states and state actions to combat/modernize**
  - Integrity grants
  - Tiger Team Recommendations & Grants
- 2. Building new, innovative national partnerships to strengthen data and technology**
  - U.S. Postal Service & Login.gov Identity Verification Pilots
  - NASWA Integrity Partnership and Integrity Data Hub
- 3. IT Modernization to strengthen the resilience of the UI system**
- 4. Safeguarding system, while ensuring efficient/equitable access**
  - Plain Language
  - Equity grants



# Integrity Grants

Grant funding to states for fraud detection and prevention, including identity verification and overpayment recovery activities, in all unemployment compensation programs. Data sharing with OIG required.

- **\$140 million** made available to states, 50 jurisdictions applied and received \$134 million in funds in Fall 2021 (on top of \$300 million CARES Act fraud grants distributed 2020/21)
- Funding to support innovative strategies and solutions to
  - 1) strengthen identity verification of UI claimants;
  - 2) enhance fraud detection and prevention strategies;
  - 3) improve data management and analytic capabilities;
  - 4) increase cybersecurity; and
  - 5) expand overpayment recovery efforts.



# Tiger Team Effort

Multi-disciplined teams deployed to individual states; delivering tailored technological, operational, and administrative recommendations that address immediate state needs and include a rough scope of cost and timelines.

## State Engagement

- **36 states** engaged by June 2023, with more than 300 recommendations delivered to 29 states supported by \$37.8 million in grants
- **Many recommendations directly address program integrity**, including identity proofing and authentication, claims risk scoring, and investigative case management. Other recommendations related to automation of paperwork and use of plain language will reduce errors and overpayments.



# USPS & Login.gov Identity Verification Pilots

DOL is piloting efforts to support states in acquiring Login.gov as a public digital identity verification solution, and the U.S. Postal Service as an in-person identity verification option. Ensures claimants are lawful recipients of benefits.

## **Login.gov**

- Arkansas pilot began in April 2022, available as option to all claimants

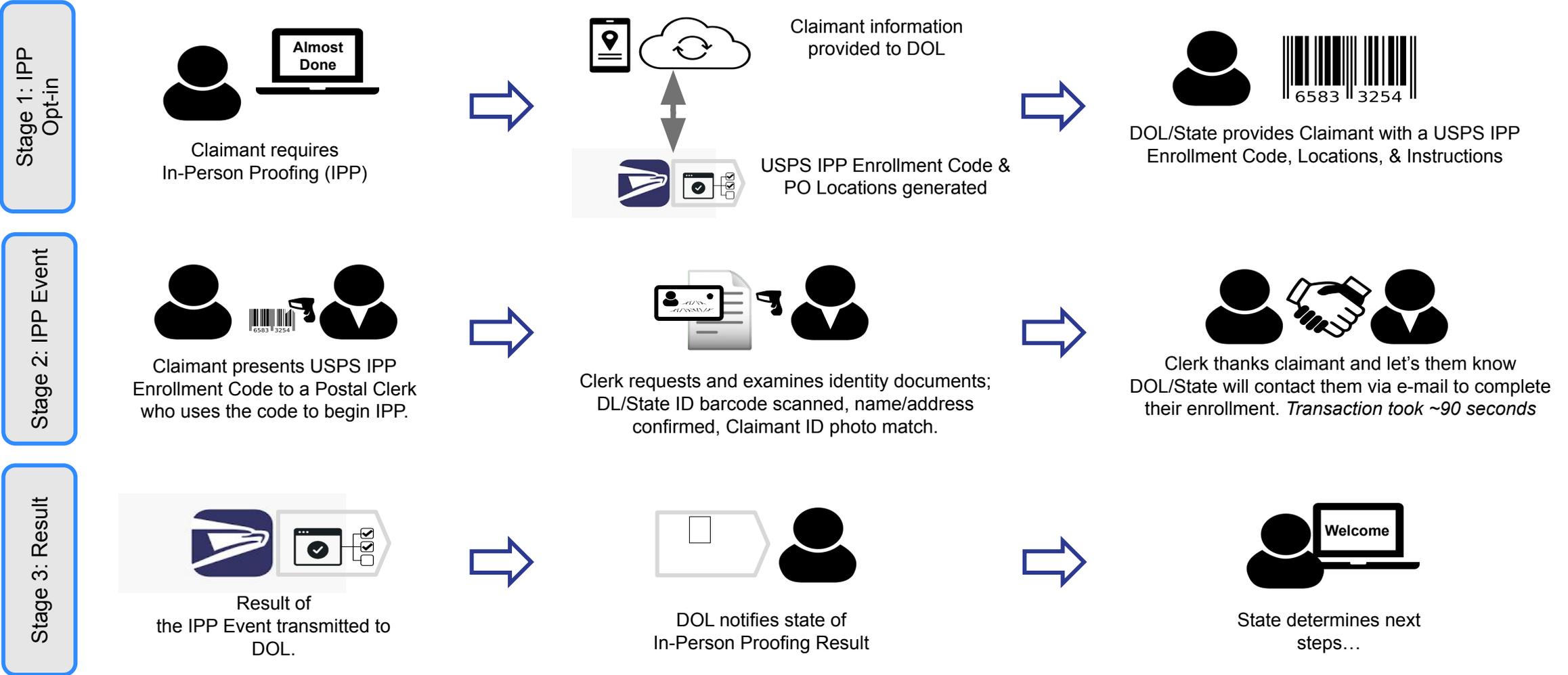
## **USPS**

- 2023 pilot launch in 30 post offices throughout Arkansas, Oklahoma, and Oregon

Testing these options to become part of the system infrastructure long term



# DOL bringing USPS Verification to States





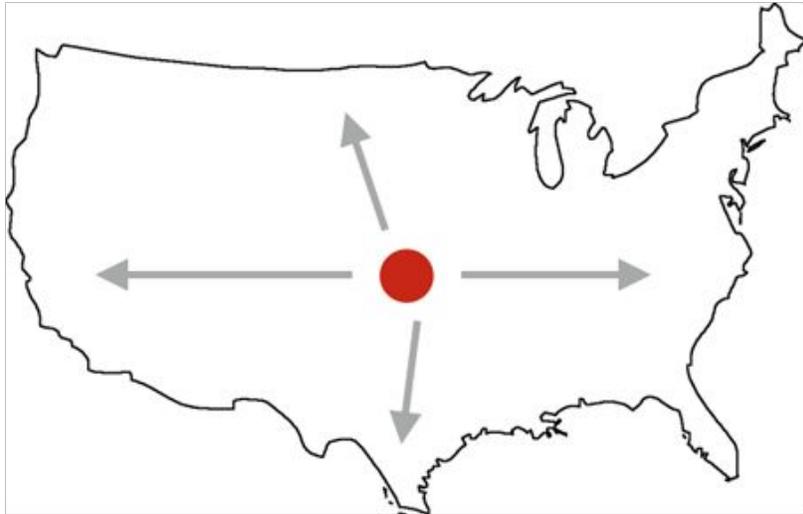
Effective modernization involves more than just technology.

It also requires a new mindset and approach to building and buying technology that centers on modernization as a continual process and the belief that IT systems are never finished.



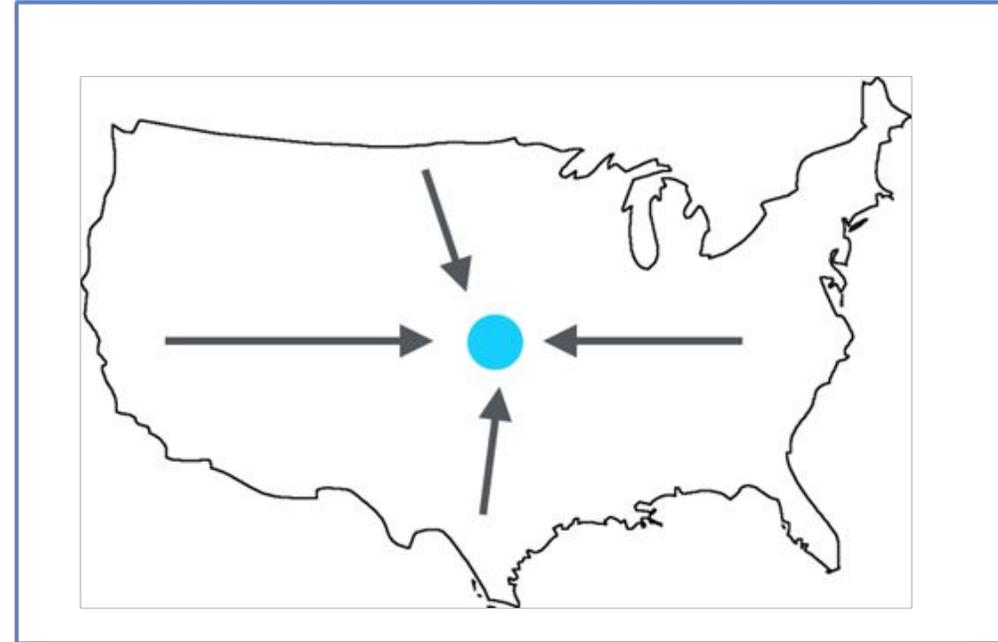
# Driving Change Across a Complex System

**PUSH**



**One size fits all  
solutions**

**PULL**



**Meeting states where  
they are**



# Key Technical Challenge to Solve

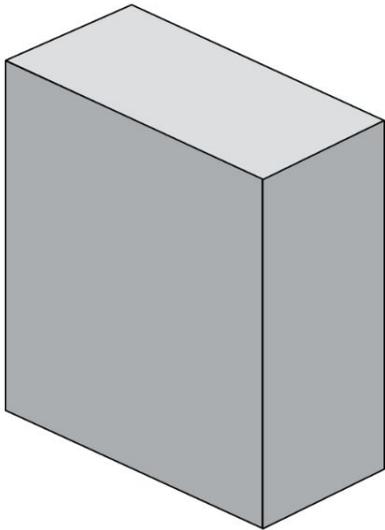
**“Even small changes are time-consuming, costly, and risky.”**

-State UI Director

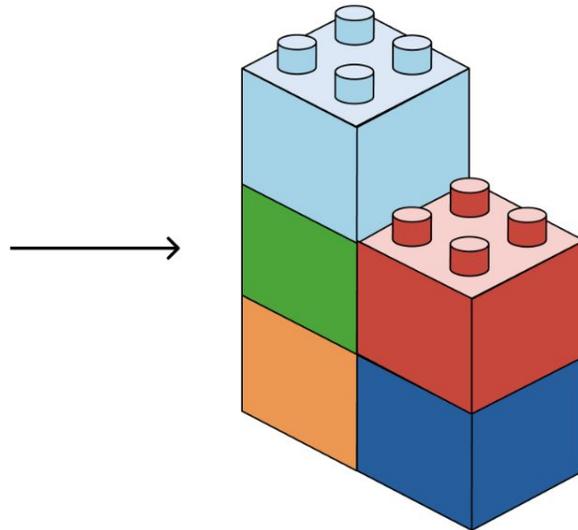
- Current UI IT systems are inflexible and costly to maintain
- Systems are designed as **one large chunk**—even small changes can adversely affect the entire system
- All of this forces states into a dilemma- hold onto outdated systems, or embark on costly and risky system overhauls

# DOL's vision for UI IT modernization

**Monolithic**



**Modular**



**“All or nothing”  
to interchangeable parts**

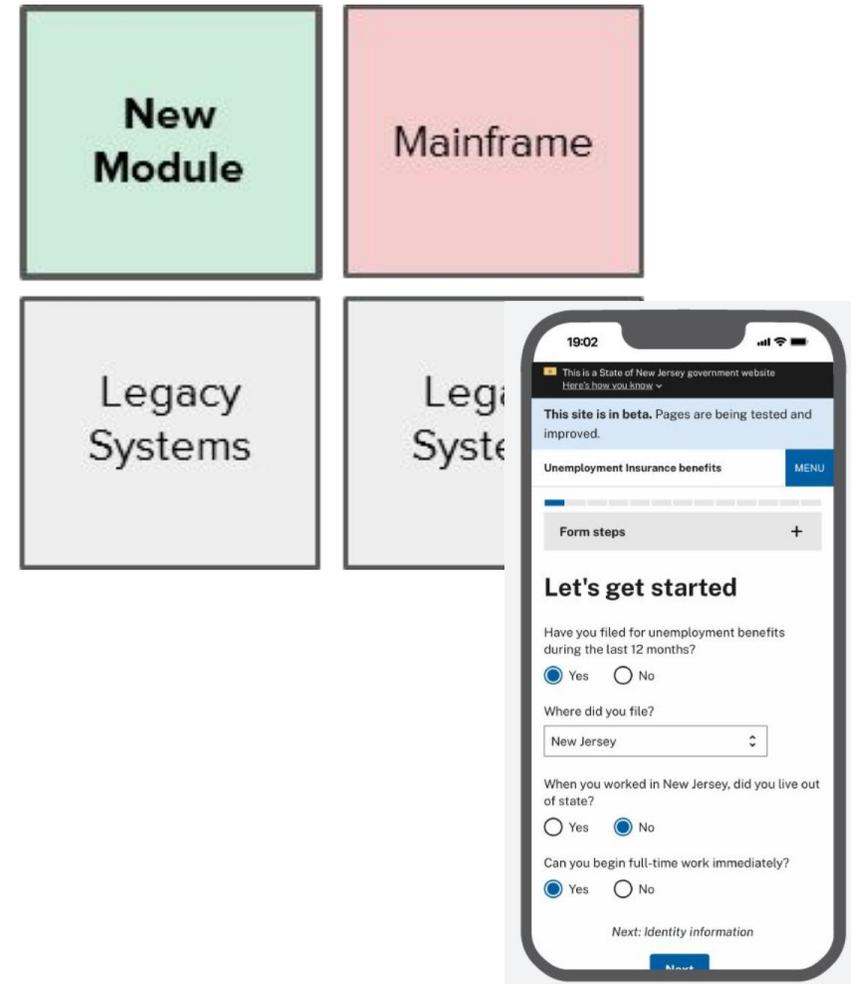
*An ecosystem built around open and modular solutions that enables states to adopt a continuous approach to modernization and effectively meet changing needs*

SIDES is an example of this approach – more anti-fraud modular approaches available



# Helping states adopt a modular approach

- Our partnership with NJ is showing that states can adopt modular approaches in ways that minimize risk, deliver results, and make systems faster, cheaper, and easier to maintain
- One approach is “decoupling” public-facing elements, like claimant portals, from legacy backends, like mainframes, so they can be managed independently



## Unemployment Insurance modernization

### Examples from states and territories in their unemployment insurance modernization journeys

The U.S. Department of Labor is working with states, territories, and the public to develop strategies to continuously improve the nation's unemployment insurance (UI) systems

[See examples](#)

[See sample code](#)

This site highlights how the Department of Labor is empowering states to better serve people as part of the American Rescue Plan Act (ARPA).

ARPA provided \$2 billion to the Department of Labor for Unemployment Insurance Modernization with 3 specific goals: to detect and prevent fraud, ensure timely payment of benefits, and promote equitable access. By providing targeted grants to states & territories, better guidance and direct assistance, and piloting technological solutions, DOL will build trust and resilience in the nation's UI systems through common tools and approaches which states choose to adopt.

We'll continue to add examples over time and welcome your [feedback on this site](#).

**Get started with your claim status project today!** If you communicate statuses to claimants, view our [claim status playbook and model prototype](#). This playbook provides guidance on how to get started, practical strategies, and access to the prototype source code.

#### Prevent fraud

Fraud prevention is central to maintaining the integrity of UI systems. Here, learn more about ARPA's fraud-fighting efforts.

[Prevent fraud](#)

#### Adopt promising practices

Our team uses promising practices for technology and design, and we've documented the work we've done to date. Here, learn more about practices your state could consider as you continue to improve your UI experience.

[Adopt promising practices](#)

#### Use plain language

Plain language is central to a good UI experience -- for states, claimants, and employers. Our team has developed a suite of resources you can draw on to craft clearer UI communications.

[Explore our language resources](#)

## Promising practices for UI technology and design

We've created resources to help states adopt modern design and development practices to better serve their customers. Here, learn more about promising practices for mobile friendliness, robotic process automation, using design systems, and more.

#### Change the front end without changing the back end

See how New Jersey changed form questions and mapped the changes to existing database requirements without changing the backend. This enables changes on form questions without a significant tech overhaul.

[Change the front end](#)

#### Learn new approaches to mobile friendliness

Learn about the benefits of mobile friendliness and different tactics you can use to improve your site's customer experience.

[Explore mobile friendliness](#)

#### Go mobile friendly with media queries

See New Jersey's transformation to a mobile responsive UI application, and learn how to use cascading style sheet (CSS) media queries to improve your site's mobile responsiveness without needing to upgrade your software stack or infrastructure.

[Go mobile friendly](#)

#### Use automated quality and unit-testing tools

One challenge in maintaining a complex system is allowing for changes to be made quickly, without putting the quality and stability of the system at risk. To meet this challenge, implement automated, real-time (or near real-time) quality feedback mechanisms.

[Use automated tools](#)

#### Use a design system

The U.S. Web Design System (USWDS) is a set of user interface components that makes it easy to build accessible and usable government websites.

[Use a design system](#)

#### Use surveys to improve your customer experience

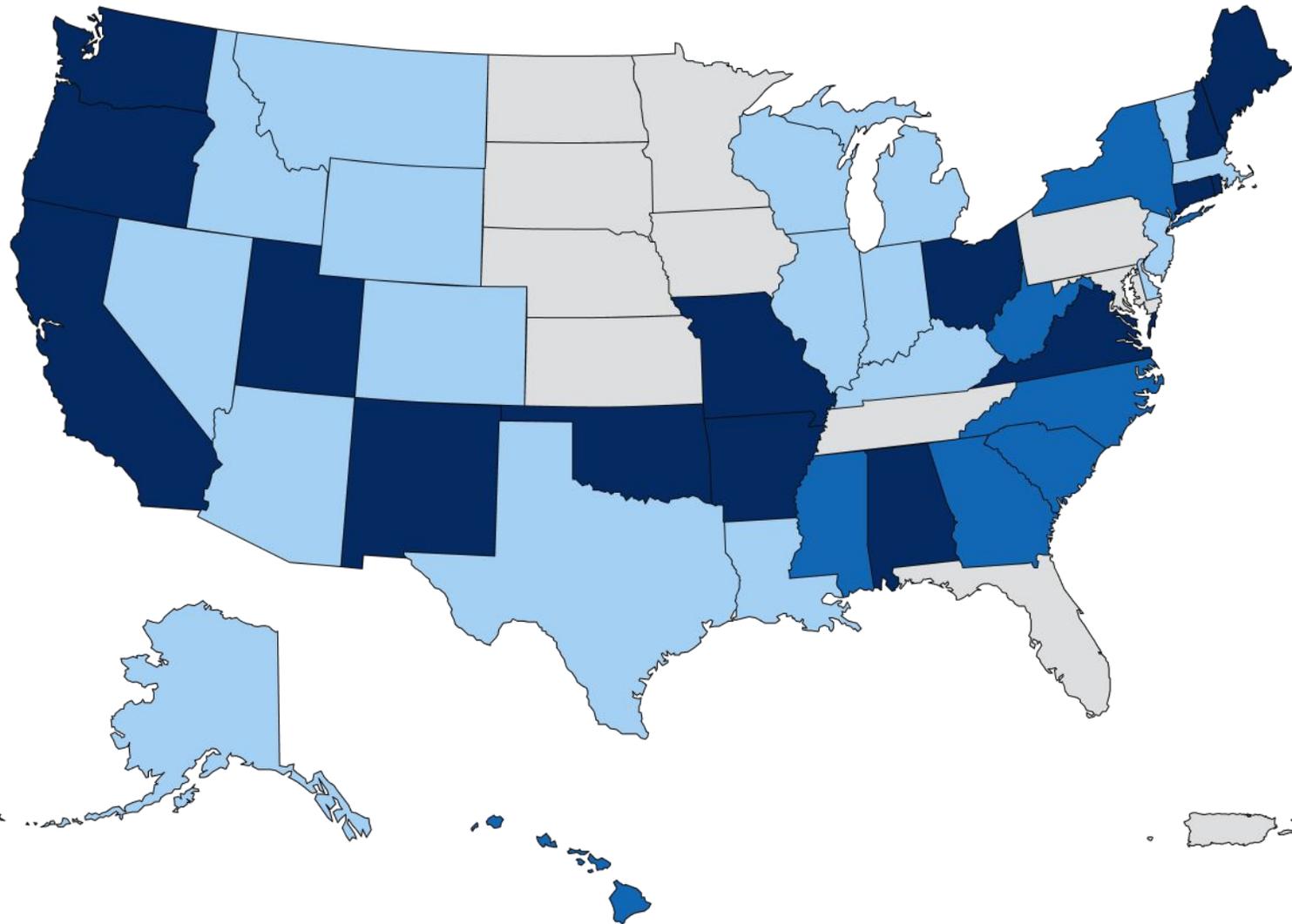
See how Illinois used thoughtful survey design and natural language processing to identify key customer experience issues in their online UI claim filing process.

[Craft stronger surveys](#)



# States working with DOL on IT

## Modernization



- Both (identity verification and other processes, fraud prevention and IT modernization) (14)**
- Identity verification only (9)**
- Other processes, fraud prevention and IT modernization only (18)**
- No engagements (12)**

As of May 8, 2023



# Improving Payment Accuracy through Plain Language

Plain language reduces claimant and agency errors that cause **improper payments**, while saving money on customer service inquiries.

- **It's understandable to most readers:** eighth-grade reading level or lower
- **It avoids jargon:** Unless legally required, our content doesn't include jargon or legal terminology.
- **It's actionable:** Readers will know, after first reading, what they need to do
- **It's welcoming:** We address the reader as "you," consistently use a friendly, helpful voice, and follow other stylistic considerations promoted by [plainlanguage.gov](https://www.plainlanguage.gov)
- **It's accurate:** Our content precisely communicates concepts related to Unemployment Insurance, along with applicable laws, regulations, and expectations.

## CLAIMANT DECISION

Mailing Date:  
Employer:  
SSN:  
No:  
Reprinted:

You were scheduled for a telephone adjudication hearing on 06/15/22. Efforts to contact you for a statement have been unsuccessful.

[FREE FORM REASON FOR DECISION: You filed a claim for benefits indicating that you were laid off due to a lack of work. Your employer disputes this and states that you are considered to have quit your job when you abandoned your position and failed to maintain contact.

Although there is conflicting information, you are considered to have quit your job.]

The issue is whether you left your job with good cause under the provisions of Section 28-44-17 of the Rhode Island Employment Security act.

[FREE FORM REASON FOR DECISION: Your leaving is considered to be without good cause as there is no evidence that your job was unsuitable. Benefits are denied as indicated.]

This disqualification covers the period indicated below according to Section 28-44-17 8-42-16: The week ending 05/07/22 and until you have worked for an employer who pays unemployment taxes and have grossed a TOTAL amount of wages that are equal to or in excess of eight (8) times the benefit rate on your 23 Benefit Year claim (BYE). Should the benefit rate on this claim change, then the amount needed to clear this denial will be modified according to the new benefit rate. It is your responsibility to keep a copy of all pay stubs for work performed after the week ending 05/07/22.

You received a waiting period for the week ending 05/07/22 and benefits for the wee(s) ending 05/14/22, 05/21/22, 06/04/22. These weeks are now under disqualification; your waiting period is voided, and you are overpaid \$873.

This amount represents the gross benefits you were paid and may be different from the net benefits you received. This is the case due to federal or state income tax contributions, child support payments, and/or repayment of previously overpaid benefits made on your behalf. Therefore, you are responsible to pay the total amount indicated if you are determined to be found at fault for this overpayment.

Clear title that indicates what program this is about

Clear header to indicate the contents of each section

Use active voice to provide clarity on the event that took place with the claimant

Structure content around what this means for the claimant and what begins when

Bold critical information like key dates and status to ensure it stands out.

Calculate amounts like the amount needed to requalify rather than ask claimants to do the math.

State which laws apply but avoid explaining them as its unnecessary details. Provide a link to read more.

Clear header to indicate the contents of each section

Keep content concise and focused on what the claimant must do and why

Use bullets for easier scanning

## UNEMPLOYMENT INSURANCE BENEFITS

Decision Number: XXXXXXXX  
Date: MM/DD/YYYY

First Name Last Name

## NOTICE OF DENIAL

On [MM/DD/YYYY], the Rhode Island Department of Labor and Training (RIDLT) scheduled a telephone interview with you to discuss your separation from [EMPLOYER NAME].

[INSERT FREE FORM REASON FOR DECISION: for example: You indicated to RIDLT that you were laid off due to lack of work. Your employer indicated that you abandoned your job and did not contact your employer as required. Our investigation shows you did not have a good reason for leaving your job.]

Based on available information, beginning [DENIAL START DATE MM/DD/YYYY], you are **DENIED** unemployment insurance benefits under Section 28-44-17 of the Rhode Island General Law (RIGL). To remove this disqualification and restart benefits, you will have to earn [\$X,XXX], which is 8 times your weekly unemployment insurance benefit amount. If your original benefit amount changes during the claim year, the required earnings needed to requalify for benefits will also change. You will be notified in writing if that happens.

Please keep copies of all your pay checks. Contact the RIDLT when you are ready to reopen or file a claim by calling (401) 415-6772 or file online at <https://ditweb.dlt.ri.gov/ui/pua/>.

## NOTICE OF OVERPAYMENT

Per Section 28-42-68 of the Rhode Island General Law (RIGL), you must repay [\$XXX] because you received benefits for the weeks listed below before RIDLT disqualified you for benefits (see denial above). This amount represents the benefits you were paid before taxes or deductions (gross pay) and may be different from the actual amount you received (net pay). Please note that the waiting week is NOT a paid week.

- 06/07/22 (Waiting week)
- 06/14/22
- 06/21/22
- 06/28/22

You will receive a detailed bill for the overpayment. Please send your payment via check to:

Department of Labor and Training, Overpayment Unit  
PO Box 20380, Cranston RI 02920



# What's Next – FY24 & Beyond

- ARPA funding is helping states set up new systems, like identity verification and develop technologies that can facilitate fraud prevention and timely payment of benefits.
- Revising spend plan given rescission of \$1 billion in the Fiscal Responsibility Act
- First step in broader effort to transform the UI program.
- Ongoing administrative funding needed to continually modernize and systematize this funding.

