

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES

LABOR & INDUSTRY COMMITTEE
PUBLIC HEARING

STATE CAPITOL
HARRISBURG, PA
RYAN OFFICE BUILDING
ROOM 205

WEDNESDAY, JUNE 23, 2021
9:33 A.M.

BEFORE:

HONORABLE JIM COX, MAJORITY CHAIRMAN
HONORABLE GERALD MULLERY, MINORITY CHAIRMAN
HONORABLE BARBARA GLEIM
HONORABLE JAMES GREGORY
HONORABLE RICH IRVIN
HONORABLE MIKE JONES
HONORABLE DAWN KEEFER
HONORABLE KATE KLUNK
HONORABLE RYAN MACKENZIE
HONORABLE LORI MIZGORSKI
HONORABLE ERIC NELSON
HONORABLE MICHAEL PUSKARIC
HONORABLE DAVID ROWE
HONORABLE DAVID DELLOSO
HONORABLE ED GAINNEY
HONORABLE SARA INNAMORATO
HONORABLE LEANNE KRUEGER
HONORABLE JEANNE MCNEILL
HONORABLE JENNIFER O'MARA
HONORABLE NICK PISCIOTTANO
HONORABLE PAM SNYDER

COMMITTEE STAFF PRESENT:

JOHN SCARPATO
MAJORITY EXECUTIVE DIRECTOR

JONAS RICCI
RESEARCH ANALYST

MCCLAIN FULTZ
RESEARCH ANALYST

JENNIFER DODGE
ADMINISTRATIVE ASSISTANT

HALEY SALERA
MINORITY EXECUTIVE DIRECTOR

EVAN FRANZESE-PETERSON
RESEARCH ANALYST

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I N D E X

TESTIFIERS

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WILLIAM TRUSKY
EXECUTIVE DIPUTY SECRETARY,
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SUBMITTED WRITTEN TESTIMONY

* * *

(See submitted written testimony and handouts
online.)

P R O C E E D I N G S

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3 MAJORITY CHAIRMAN COX: Good morning. I
4 will now call this meeting to order.

5 To begin with today, I'd ask that you
6 all rise and join me in saying the Pledge of
7 Allegiance.

8 (Pledge of Allegiance was recited.)

9 MAJORITY CHAIRMAN COX: First, I'd like
10 to welcome everyone to this hearing of the House
11 Labor & Industry Committee. And as has become
12 the custom, I'd also like to announce that this
13 meeting is being recorded. So I'd ask the
14 members and guests to please silence phones and
15 electronic devices that might interrupt the
16 meeting.

17 We called this meeting as part of our
18 Committee's continuing oversight over the
19 unemployment compensation system. And we've been
20 doing this throughout the pandemic. We had a
21 little bit of a window there where we didn't call
22 the firemen in from fighting the fire. And then
23 after that, we've begun asking for and receiving
24 very critical updates on the process of things,
25 including the update of the new system. We all

1 knew there were going to be some technical issues
2 on June 8. It's not completely unexpected.

3 The Department has gone about fixing
4 many of them. And we know there are a few that
5 are still outstanding. So today is going to be a
6 little bit about finding out what's still hanging
7 out there, what the problems are, what needs to
8 be done. A lot of information was provided to
9 our legislative staff, to stakeholders, to
10 claimants, and the public about the new system.
11 I think the communication efforts on this were
12 phenomenal. And so I'd like to thank the
13 newly-minted Secretary. Congratulations on your
14 recent confirmation, but I'd like to thank you
15 and your staff for the communication on the new
16 system. It's been -- it's been a very welcome
17 process.

18 And again, there were some people who
19 missed the memos and didn't quite know how to
20 handle things, but there were plenty of resources
21 for them to go back to and to locate once they
22 did start digging. And so we appreciate that.
23 So today, without any further ado, I would like
24 to get an update on behalf of the Committee. We
25 have -- it looks like, I think, eight members

1 joining us -- or no, seven members joining us
2 virtually, as well as the members that we have
3 here. So in person, it's not as well attended as
4 the online presence would help us indicate.

5 So again, I'm going to ask for an update
6 on the rollout of the Department and find out
7 what went well, what didn't go so well, what
8 still needs to be done to get the system firing
9 on all cylinders, as they say.

10 Representative Mullery, do you have any
11 comments?

12 MINORITY CHAIRMAN MULLERY: No. I just
13 want to congratulate you on your new position.
14 It's formal now. And I look forward to hearing
15 your testimony today.

16 MAJORITY CHAIRMAN COX: All right. And
17 with us to provide testimony, we have, as I
18 mentioned, Jennifer Berrier, the Secretary of
19 Labor & Industry, and William Trusky, the
20 Executive Deputy Secretary. Welcome to the full
21 light. I always enjoyed seeing the shadows
22 around you. I knew what you looked like, but a
23 lot of people in the public may not know until
24 today. So congratulations on coming out into the
25 light.

1 But thank you for being here. As it has
2 also become the custom of the Committee, I would
3 ask that you all stand -- you both stand and
4 raise your hand to be sworn in.

5 (Whereupon, testifiers were sworn en masse.)

6 MAJORITY CHAIRMAN COX: Thank you.

7 So I've asked the Department to begin
8 with a 10-minute opening statement, and then
9 we'll have the remainder of our time for
10 questions from Committee members.

11 So Secretary Berrier, when you are
12 ready, please begin.

13 SECRETARY BERRIER: Thank you,
14 Chairman Cox.

15 And you know, I know I provided a great
16 wealth of information in my written testimony.
17 I'd like to go over it with my oral remarks
18 because I think there's a lot of good highlights
19 about the projects. So I'll try to condense it
20 where I can, but I'd like to hit some major
21 points that were successes for the Department.

22 So thank you, Chairman Cox,
23 Chairman Mullery, and members of the L&I
24 Committee. We are very happy to be here today,
25 in person for a change, to discuss the rollout of

1 our new modernized system. As you are aware, we
2 launched our new modernized system on June 8th.
3 It was a partnership with Geographic Solutions
4 Incorporated, and it was essentially a four-year
5 project that the Department engaged in. To date,
6 since our go-live, I have some updated statistics
7 as of this morning. We have paid out over \$465
8 million dollars in unemployment benefits. We
9 currently have 441,158 claimants filing for
10 weekly certifications. And we also have over
11 82,000 individuals filing through IBR, which is
12 our phone system. We also have had over 70,000
13 individuals file initial claims within this past
14 two-and-a-half week period, as well.

15 So I'm pleased to report that the number
16 of claimants that are currently filing for
17 employment compensation and the pandemic
18 emergency unemployment compensation programs
19 prior to the launch is pretty much in line with
20 what we're seeing now. We do see that there are
21 some individuals who are still struggling with
22 filing their weekly benefits. However, we are
23 addressing those issues as quickly as possible.
24 We have folks working around the clock to address
25 the issues that we have identified.

1 So, you know, as you know the history of
2 this project over the past few decades, there
3 have been several attempt to modernize the
4 Department's unemployment mainframe system,
5 including an unsuccessful effort during the late
6 2000s. We began the procurement process in 2015
7 and brought on board CSG Government Solutions to
8 be our project manager and then selected GSI as
9 our system integrator because they offered the
10 best value. We learned from our mistakes and
11 entered into a \$35 million dollar contract, which
12 was payable upon delivery of the system.

13 We began work on Ben Mod in August of
14 2017 with the initial go-live date of April of
15 2019. To ensure transparency and accountability,
16 of course the Ben Mod Advisory Committee was
17 created under Act 60 of 2017 to monitor, assess,
18 and counsel all stakeholders on the
19 implementation of the new UC system.

20 So in early 2019, the Department
21 determined that our initial go-live date with GSI
22 was a bit ambitious. And with the support of the
23 Ben Mod Advisory Committee, we made the decision,
24 with GSI, to push back the launch date to April
25 of -- or, October of 2020. Neither Labor &

1 Industry nor the Ben Mod Advisory Committee could
2 have predicted what happened next, which was a
3 global pandemic and its unprecedented impact on
4 workers across the nation, including this
5 Commonwealth.

6 So the subsequent strain that was placed
7 on the UC system has really -- had really forced
8 us to rethink that October 2020 go-live date. I
9 mean, as you know, we had to respond to the most
10 significant unemployment crisis since the Great
11 Depression and this dwarfed what had occurred as
12 far as the Great Recession of 2009, where over
13 960,000 Pennsylvanians filed for UC, whereas
14 between a month period, less than a month period
15 in March and April, we had over a million
16 Pennsylvanians file for unemployment, which
17 exceeded what we paid out in one year during the
18 recession of 2009. That's pretty -- pretty
19 significant.

20 So you know, we have provide stats
21 previously on the number of individuals we've had
22 file for unemployment and the PUA program, so I'm
23 not going to beat a dead horse there. However,
24 you know with the implementation of five new
25 programs, five Federal temporary programs, and

1 you know, paying out benefits under the stressed
2 UC system, the decision was made to post the
3 go-live, as you all were aware. And that was
4 done under the advisement of the Ben Mod Advisory
5 Council, which I thought was very responsible for
6 us to consult with our stakeholders in making
7 that decision.

8 Prior to the pandemic, we had really
9 good progress moving with this system. Beginning
10 of August 2017, we had 11 full-time testers who
11 were dedicated to testing the system every day.
12 They repeatedly tested converted data from the
13 legacy system to ensure data, quality, and
14 integrity. And it's really interesting -- I --
15 this is a little -- but it's important to
16 understand because we've been criticized as to
17 whether the system has been tested, and this
18 system has been tested.

19 Our system integrators used what
20 industry experts refer to as an agile development
21 methodology for the Ben Mod project. And that's
22 -- rather than conducting a big waterfall or big
23 bang conversion of data, where all the data is
24 taken from the mainframe and converted in one
25 fell swoop, we focused on incremental sprints

1 with discreet deliverables. So it's, you know,
2 little sprints as opposed to one big -- one big
3 move.

4 And this was conducted on multiple
5 different types of use cases that would be
6 converted from the Legacy mainframe system to the
7 modernized system. And it impacted UC claims,
8 trade readjustment allowance claims, and
9 eventually PEUC claims, which became the
10 lifeline, you know, for millions -- for many,
11 many Pennsylvanians.

12 This data was tested in multiple
13 environments to ensure that we would mitigate any
14 and eliminate as many data conversion errors as
15 possible. We even increased the number of
16 testers from 11 full-time individuals in 2017 to
17 56 full-time testers from May of 2019 through
18 February of 2020. In early March 2020,
19 obviously, we all know what happened. The number
20 of testers was increased to 90; however, because
21 of everything that had happened, we had to scale
22 back staff and capacity, and we scaled back the
23 number of testers from 40 to 30 people, which is
24 still a pretty significant testing team for the
25 remainder of 2020 and 2021.

1 But even though we did this extensive
2 testing, we knew it would be impossible to catch
3 every single little conversion error. And
4 frankly, that's just the nature of the conversion
5 of any kind of large-scale IT implementation
6 project. It's a great feat. We converted just
7 shy of one billion records, which is huge. This
8 is a very large project.

9 So you know, and essentially trying to
10 convert data from a legacy mainframe system, I
11 think we've compared it to trying to put a square
12 peg into a round hole. So you know, while we
13 were successful in moving the data to the new
14 system, you know, our subject matter experts
15 cautioned that we will like continue to see the
16 short-term impacts of large scale data
17 conversion, which is expected, but we are working
18 quickly to address those issues as they arise.

19 And you know, as far as seeing issues
20 with data conversion, what we're currently doing
21 is we are monitoring our survey monkey that we
22 have on our website and also social media. And
23 of course, we have our UC service centers, so
24 that's kind of our three-prong approach to
25 addressing data conversion errors that claimants

1 may experience.

2 You know, the constant testing continued
3 through spring of 2020 when we made the strategic
4 decision to go live. And as you know, there were
5 many reasons why we decided to go live on June 8,
6 which included a steady decline in the number of
7 new claims that we were seeing filed within the
8 unemployment compensation. Also, we had some
9 predictability with the ending of the federal
10 unemployment programs, the federal emergency
11 unemployment programs.

12 And also, frankly, the streamlined
13 business processes that we were going to see with
14 GUS, we needed them desperately. So I mean, that
15 definitely was factored into our decisionmaking.
16 You know, we have backlogs and we were very
17 hopeful that with these streamlined business
18 processes, it would allow us to eliminate those
19 backlogs more quickly. But however, I think one
20 of the biggest drivers is being able to deliver a
21 modern system, that 21st century IT system to
22 claimants who desperately need something that
23 looks more familiar with what they're seeing and
24 also provides more transparency and
25 accountability with what's occurring with their

1 unemployment compensation claim.

2 Chairman Cox mentioned our
3 communications effort in making sure that, you
4 know, we were able to communicate with our
5 stakeholders, the General Assembly, and also with
6 our unemployment compensation claimants. We
7 spoke with other states regarding best practices,
8 where they had their pitfalls. And we actually
9 borrowed some of their ideas that they thought
10 were really helpful to get them through this
11 period.

12 One of those ideas was the creation of
13 the enhancement tracker. And I'm not sure if
14 you've had the opportunity to log on our website,
15 but it's a really nice visual that kind of breaks
16 it down in easy language for our claimants to
17 show, you know, what current technical issue
18 we're experiencing with the system. It provides
19 what the status of that issue is, and it also
20 provides when we'll essentially have a fix. And
21 we use a color coding system to flip items from
22 yellow to green, meaning that the issue is fixed.

23 So it's actually been really helpful,
24 and I think it's been a good tool to communicate
25 with our claimants so that they understand, hey,

1 if I'm seeing this error code, okay, the
2 Department is working on this. We don't need to
3 reach out to them. They know it's an issue. I
4 will just monitor this, and when it's flipped to
5 green, I will just log in and can do what I need
6 to do on my claim. So that's been extremely
7 helpful.

8 Also, with the communications process,
9 we've had 23 workshops in English and in Spanish.
10 We've held them on weekday and weekend mornings,
11 afternoons, and evenings. We wanted to make sure
12 that we had the broadest reach possible to
13 claimants and also to employers who are using the
14 system. We also translated these workshops into
15 Spanish, Mandarin, Vietnamese, and Arabic to
16 provide greater accessibility to all UC
17 claimants.

18 We were also able to create nine
19 separate user guides for claimants and employers,
20 so that they could familiarize themselves with
21 the Ben Mod system. And we also, I believe, had
22 numerous FAQs. And -- I lost -- of course, a
23 quick tips page that we actually ended up
24 launching after we went live because we found
25 that sometimes people don't like to go through

1 volumes of information. So we collected our most
2 common issues that we were seeing from claimants,
3 by monitoring Facebook and also our SurveyMonkey
4 to develop a quick tips-type of thing.

5 So you know, overall, we reached -- we
6 also directly reached out to claimants via e-mail
7 and employers via e-mail to communicate issues
8 that we were experiencing with the system or any
9 kind of helpful tips that we could pass along to
10 them in accessing the system. It's definitely
11 been a monumental task. And I think the
12 communications piece of this project rolled out
13 very smoothly. And I think we were able to, for
14 the most part, effectively communicate with our
15 claimants and our stakeholders, which I think was
16 a really important piece to this project.

17 The next part of my testimony actually
18 lays out the benefits of the new system for
19 claimants, employers, and UC staff because we've
20 actually been asked that question a lot. You
21 know, what are the benefits that claimants are
22 going to see? And I think one of the most
23 important benefits that claimants are going to
24 see is that they can actually log into their
25 dashboard and see the whole history of their

1 claim online. They can see all paperwork,
2 including the financial determination, appeals
3 documentation, and they can access it any time of
4 the day. They'll no longer have to worry about
5 losing paper documentation in the mail or in
6 their personal files that they're keeping at
7 home.

8 And Also, it shows them a degree of
9 transparency they've never seen before on their
10 claim, such as if they have overpayments or
11 liens. And it also provides them the opportunity
12 to file appeals directly through their dashboard,
13 which I think is huge for them, you know. And it
14 also helps to ensure that we receive appeals in a
15 timely manner. So you know, those are just a few
16 of the neat features that claimants have for the
17 system.

18 There's also some nice features for
19 employers that we didn't have previously.
20 Employers will be able to actually log into the
21 system and access information in realtime. All
22 of their documentation will be in one place. You
23 know, before they would only receive quarterly
24 reports of notices of charges along with
25 claimants, but now they'll actually be able to

1 log on at any time and see what's going on with
2 individuals who formerly worked with them, which
3 I think is huge for employers and their ability
4 to plan and, you know, react to the unemployment
5 compensation claims that they may receive.

6 I think also, you know, there's a
7 multitude of administrative and management
8 efficiencies for our internal staff with these,
9 you know, that will essentially streamline our
10 internal business processes. I know it's hard to
11 believe, but prior to this system, our staff
12 actual had to manually distribute work to people,
13 which took a great deal of time. That was
14 actually done on spreadsheets and done by actual
15 pieces of paper, which is crazy thinking that in
16 the year 2021 that we would be doing work in that
17 manner, work of this magnitude.

18 So now this is something that all occurs
19 within the system. So that alleviates time for
20 managers and supervisors, so that they can spend
21 those resources elsewhere in helping to pay
22 out -- you know, in helping their folks in paying
23 out benefits to claimants. So another one is
24 that, you know, it's amazing how much time our
25 staff is able to save without having to reproduce

1 documentation that's lost or missing for
2 claimants. So that's another efficiency that's
3 really greatly appreciated through our staff.

4 So you know, currently, you know, with
5 the rollout, we have noticed a bit of a slowdown
6 with the work that we're processing, which we did
7 expect, as is the case with any system. We did a
8 lot of work with our folks in trying to get them
9 familiar with the system. However, until they
10 feel completely comfortable with utilizing the
11 new system, you know, it's been a little bit
12 slower as far as processing claims.

13 But you know, there was one efficiency,
14 one bright spot that we saw last week that I'd
15 like to bring to your attention. And it one of
16 our pain points. So you know, I think the one
17 thing that's kind of been brought up in this
18 Committee is our backlog of eligibility
19 determinations, which I don't believe is any
20 surprise to anyone in this room. Previously, we
21 were averaging 8,000 to 9,000 determinations a
22 week, kind of just allowing us to tread water.
23 However, last week, we were able to -- staff was
24 able to process over 15,000 determinations last
25 week. And the system was able to process an

1 additional 5,800 determinations on its own.

2 So last week, we hit over 21,000
3 determinations, which more than doubled what
4 we've previously been able to do in a week. So
5 we are very hopeful that with that data, we'll
6 see greater -- a greater output of these
7 eligibility determinations, which I know will be
8 a great relief to Pennsylvanians and your
9 constituents, most importantly.

10 So you know, also, as you know, we've
11 seen improvements in our customer service
12 numbers, which have helped us. Admittedly, we
13 know our call centers are a bit overwhelmed right
14 now with the rollout of the new system, but we
15 are very hopeful that once we are able to
16 stabilize the new system fully, that our call
17 centers will calm down. And actually, prior to
18 the rollout of this new system, we were seeing
19 great customer service numbers within our UC
20 service centers. So we are very hopeful that,
21 you know, we will go back to pre-rollout with
22 being able to answer phones and being able to
23 assist claimants in a more timely manner.

24 So with that being said, I'm going to
25 end my oral remarks. And I want to thank you for

1 the opportunity to share the information about
2 the launch of our new UC system. And I look
3 forward -- Bill and I both look forward to
4 answering any specific questions you have about
5 the system today.

6 MAJORITY CHAIRMAN COX: All right.

7 Thank you.

8 Going to move to member questions.

9 Going to start with Representative Mizgorski.

10 REPRESENTATIVE MIZGORSKI: Thank you.

11 And congratulations. And I appreciate
12 all the effort and the challenges that you faced
13 taking over the helm in the middle of the
14 pandemic.

15 In the past, I talked about employees
16 working from home, and especially with them being
17 able to train, to train new employees without
18 having a coworker next to them to just ask a
19 quick question. So my question today is, are you
20 planning to bring the UC employment workers into
21 the offices any time soon?

22 Thank you.

23 DEPUTY SECRETARY TRUSKY:

24 Representative, yes. We have plans the beginning
25 of July to bring about 75 percent of our staff

1 back into the office. We recognized early on
2 that training via Zoom, or whatever method we
3 were using, wasn't effective. So we've been
4 training in person for a while now. We did
5 realize that was a major pain point of ours.

6 We have, because of how much we've
7 grown, we actually have space issues in our
8 service centers. So our Indiana service center,
9 we're in the process of moving -- locating into a
10 larger -- a larger building. But yeah, we have
11 physical space issues with the number of staff.
12 So while some of our staff will be working from
13 home, the majority will be in the office.

14 REPRESENTATIVE MIZGORSKI: That's really
15 great news. I'm glad to hear it.

16 Thank you.

17 MAJORITY CHAIRMAN COX: Representative
18 Krueger, jointing us virtually.

19 REPRESENTATIVE KRUEGER: Thank you,
20 Mr. Chairman.

21 Can you hear me? Sorry. I was trying
22 to take myself off of mute.

23 MAJORITY CHAIRMAN COX: We can hear you
24 now.

25 REPRESENTATIVE KRUEGER: Okay. Thank

1 you.

2 Thank you, Madam Secretary. I really
3 appreciate the continued updates. And I wanted
4 to ask a question about a trend that my
5 legislative staff has seen over the past week.
6 We've heard from several claimants who have been
7 working reduced hours and receiving partial UC
8 payments for some time with no issues, but since
9 the transfer to the new system, all the weeks
10 that they claimed since the system went live are
11 showing in process and they're not getting paid.

12 So I'm wondering if this is an issue
13 that you've identified, if there's a reason for
14 the delay, and if they can expect payment
15 because, you know, we're talking about folks who
16 haven't received payment in four weeks now since
17 May 30th?

18 SECRETARY BERRIER: No. Thank you,
19 Representative. And that is one of the items
20 that we actually are aware of. I believe we're
21 seeing -- those individuals may be seeing an
22 error code that is determined to be monetarily
23 ineligible, which is my understanding. So one
24 thing I didn't mention is that we actually have
25 daily meetings between our communications war

1 room team and our Ben Mod core team and also
2 OAOIT to discuss all of the status of the issues
3 that are currently outlying. And that is one
4 that we are currently researching and in the
5 process of fixing.

6 Right now, I believe, you know, that is
7 a manual fix that our staff have to do for those
8 claimants that are experiencing those issues, but
9 we are looking to do a large -- a large scale fix
10 so that that doesn't occur anymore. So we hope
11 to flip that green on our enhancement tracker
12 very soon.

13 REPRESENTATIVE KRUEGER: And my
14 understanding from my staff is that they're not
15 necessarily seeing an error message. They're
16 actually getting a response that says someone
17 from UC will contact you, but then they have not
18 been contacted. And even though each of them
19 have sent messages to the message center, they
20 have received no response at all from L&I.

21 SECRETARY BERRIER: Okay. Are you
22 talking about the message center on their
23 dashboard?

24 REPRESENTATIVE KRUEGER: Yes.

25 SECRETARY BERRIER: Okay.

1 DEPUTY SECRETARY TRUSKY: We'll bring
2 that up. We have a 12:00 meeting with our core
3 team war room staff, so we will bring that to
4 they're attention.

5 REPRESENTATIVE KRUEGER: Okay. And in
6 the interim, if it needs a manual fix, should we
7 submit it through the existing system for
8 legislative issues, or should I send those right
9 to you?

10 SECRETARY BERRIER: You can send them
11 through the legislative system that I believe our
12 leg. director has set up. We have folks still
13 working behind the scene to correct all of those
14 issues.

15 REPRESENTATIVE KRUEGER: Okay. And I
16 believe they've all been submitted already, but
17 I'll check with my staff and have them resubmit
18 today if they haven't.

19 Thank you.

20 SECRETARY BERRIER: Thank you,
21 Representative.

22 MAJORITY CHAIRMAN COX: Thank you,
23 Representative Krueger.

24 Representative Gleim.

25 REPRESENTATIVE GLEIM: Hello. Thank you

1 for being here today. I had the opportunity of
2 speaking to Mr. Trusky last night, and I think
3 that this has been a great improvement over what
4 we had before. And I understand some of the, you
5 know, technical changes that need to be made.
6 One of my questions is how many staff are
7 currently answering the phones for the UC service
8 centers? And how many more does the Department
9 believe it will be necessary to add to get all of
10 the calls answered?

11 SECRETARY BERRIER: No. Thank you,
12 Representative.

13 And that really allows us to highlight
14 our partnership, you know. And that was the UC
15 customer service initiative that we launched in
16 March, that -- where we partnered with InspiriTec
17 through our Office of Vocational Rehabilitation.
18 I'm happy to report that currently we have over
19 600 individuals, InspiriTec customer service
20 individuals, on the phone right now. However,
21 there has been an increase in the number of calls
22 that we are receiving as a result of this.

23 So while we believe this will be enough
24 for the long term, right now, we do understand
25 that our resources are stretched. However, we

1 want to make sure that we're planning long term
2 as opposed to planning short term.

3 REPRESENTATIVE Gleim: Okay. I just
4 have one follow up. Our CareerLinks are still
5 sending people with issues to our office. And we
6 have a -- an Excel spreadsheet, so we decided to
7 do the same thing as we had done. Who can we
8 send that to because I do have a list of people
9 that have issues?

10 SECRETARY BERRIER: If you send it
11 through our legislative office --

12 REPRESENTATIVE Gleim: Okay.

13 SECRETARY BERRIER: -- we will -- we
14 will take care of that.

15 REPRESENTATIVE Gleim: Okay. I really
16 appreciate that, just having that somebody to
17 communicate to. And I think that, you know, some
18 of these issues are just very technical in nature
19 and probably wouldn't take a long time to solve.
20 I know that you did solve one of my issues with a
21 constituent. It was funny -- it's just a funny
22 technical thing. It said that he e-mailed in
23 November of 1898 and that he owed them an e-mail
24 by the year 1900.

25 So I don't know how that -- I mean, he

1 did a screen shot, but it was definitely just
2 technical. We got that done and it was
3 immediately fixed. So I can understand. And if
4 you don't mind, if we do that, can we do like
5 that Excel spreadsheet type of situation? So --
6 like I'm getting about five a day.

7 SECRETARY BERRIER: Representative,
8 let's have conversation with our leg. director.
9 I believe there's a process in place, but I want
10 to make sure that we're best able to provide you
11 the service that you need for your constituents.

12 REPRESENTATIVE GLIME: All right. Thank
13 you very much.

14 SECRETARY BERRIER: Thank you.

15 And also, speaking as a fan of Oregon
16 Trail, I find that a little humorous, you know.

17 MAJORITY CHAIRMAN COX: Thank you,
18 Representative Gleim.

19 Thank you, Madam Secretary.

20 Our next Representative is
21 Representative Innamorato.

22 REPRESENTATIVE INNAMORATO: Thank you,
23 Chairman. And congratulations again on your
24 confirmation.

25 So last time that we were gathered

1 talking about this system, it was right before
2 rollout. And we were also joined by a number of
3 people who the system had failed. They were more
4 -- they were part of the more than 300,000-plus
5 people who were waiting for determinations and
6 had not received benefits for many months. And
7 their demand of the Department and the
8 administration has been pay benefits now.

9 And what we've heard from the Department
10 is that, you know, the Department of Labor will
11 not allow benefits to be paid without a
12 determination. But we've also seen other states
13 do that and issue payments without a
14 determination or thinking about how they can get
15 payments to people within the 21-day window
16 that's required by federal law.

17 So I'm just wondering, you know, how --
18 what can we do to help the people who have been
19 waiting and waiting? You know, these are folks
20 like Jeff from Lawrenceville, who filed on
21 January 10th and lost his job because Comcast
22 restructured. You know, this is Scott from
23 Aetna, who filed in February. I have another,
24 Emma in Lawrenceville. Like, these are my
25 neighbors who are calling our office every day

1 because they may have already gone back to work,
2 but they had bills that stacked up during that
3 time. And you know, we as -- the collective we
4 -- did not deliver for them.

5 So really, what do we -- what do we need
6 to do to make sure that we get through all of
7 these determinations? What resources do you need
8 from us as a legislature? You know, can we think
9 creatively on how we get through this backlog?
10 Because while I commend you all getting to the
11 rate of 17,000-plus per week, you know, it's
12 still -- if you do the math, it's still going to
13 take several months to get to these folks who
14 have already been waiting quite some time.

15 SECRETARY BERRIER: Thank you,
16 Representative. And I completely under -- I
17 mean, it does break my heart to hear those
18 stories. You know, we've explored all options,
19 partnering with individuals who claim that they
20 can help us with writing determinations, you
21 know. I know that we've engaged in those types
22 of efforts before. And frankly, we just haven't
23 really seen the benefits from them that we've
24 wanted to.

25 You know, at this point, our best bet is

1 ensuring that we continue to staff up as far as
2 examiners are concerned, and also continue to
3 increase the efficiencies through our new system.
4 We are -- you know, I do you recall hearing of
5 other states who have automatically approved
6 individuals for payments, but my understanding is
7 that they also -- were also kind of slapped by
8 Federal DOL, you know, which we're trying to
9 avoid because they control our funding. So you
10 know, we don't want to do something in the short
11 term that could potentially really hurt us down
12 the road and, you know, further harm the services
13 that we provide Pennsylvanians.

14 You know, I know you mentioned the
15 300,000 number. The breakdown of that is 100,000
16 for traditional unemployment and 200,000 for PUA.
17 So we have two separate groups attacking those
18 workloads at this time. Admittedly, the
19 traditional UC workload will likely be a much
20 more quicker fix. And unfortunately, because of
21 the fraud that we've experienced with the PUA
22 program, we're estimating that approximately 80
23 percent of that 200,000 backlog is likely fraud.

24 So we have to actually take a little bit
25 more caution in sorting through those claims

1 because of the fraudulent nature of the claims
2 that we've received through our PUA system. So
3 you know, concerning your neighbors, we are
4 working as hard and as quickly as we can to get
5 their money to them so that they can pay their
6 bills because we do realize how important that
7 is. And I have a lot of faith in the
8 efficiencies that the system has created, that we
9 can -- we can get their money to them more
10 quickly than we would have with the mainframe
11 system.

12 REPRESENTATIVE INNAMORATO: And what's
13 the timeline I could give them now that we have
14 the new system implemented?

15 SECRETARY BERRIER: No. And right now,
16 I'm a bit reluctant because I want to see what
17 our averages are going to be. Like I said, we
18 just went live with it on June 8th, so I'd like
19 to get a better idea of what we're going to be
20 averaging each week with eligibility
21 determinations. So right now I'm a bit reluctant
22 to give a guesstimate on that because I know
23 people are going to rely on that figure.

24 So if I could get back to you in maybe
25 two weeks until we can figure out what that

1 average could potentially be, potentially, we
2 could come up with something.

3 REPRESENTATIVE INNAMORATO: Okay. Thank
4 you.

5 SECRETARY BERRIER: Thank you.

6 MAJORITY CHAIRMAN COX: Our next
7 question comes from Representative Rowe.

8 REPRESENTATIVE ROWE: Thank you very
9 much, Mr. Chairman.

10 Thank you, Secretary -- not acting
11 Secretary Moore. I had to correct myself.

12 Thank you very much, Deputy Secretary
13 Trusky for being here today.

14 First of all, I know I thanked you
15 personally when we -- before we turned on the
16 cameras, but I do want to thank you publicly. I
17 have had a couple of constituents, as you know,
18 that have had, you know, 15-month waits for their
19 unemployment compensation. I appreciate your
20 willingness to assist in personally resolving
21 those issues. Your availability, both to assist
22 with those issues, and also to be here before the
23 Committee, I think is really important, and I'm
24 very grateful for it.

25 I wanted to ask about the uptick in

1 fraudulent claims. Within the last week, I had a
2 wedding venue owner -- who does not have any
3 employees; he works just by himself -- and he has
4 had new employees show up claiming unemployment
5 for his business that he's never hired. He has
6 no idea who they are.

7 And on the other side, I have a couple
8 of Geisinger employees who were notified by
9 Geisinger that they had filed for unemployment
10 when they were actively still in the office.
11 They were still working. And these were calls
12 that we didn't really get prior to the new
13 system. So is there -- is there some fraud
14 prevention mechanism that was in the old system
15 that is not in the new system?

16 Will that be coming online later, or is
17 this just coincidental?

18 DEPUTY SECRETARY TRUSKY: No. I -- we
19 had an extensive conversation yesterday with our
20 Ben Mod Advisory Committee. There's a very large
21 uptick in fraud in the new system. You know,
22 these fraudsters watch, talk on the dark web, et
23 cetera. We do have fraud stops in place. And
24 the majority of those claims have -- do have
25 stops on them. We are working with GSI to --

1 more than likely, we're going to have to
2 implement an identity verification tool like we
3 have in the PUA system. Unfortunately, it's just
4 the direction of UI programs across the nation
5 because of the amount of money involved.

6 We didn't want to put ID.me in place,
7 which is what we're using in PUA, just because of
8 the new system, the confusion surrounding it. We
9 had the discussions. We felt that would have
10 been a little too much for claimants. However,
11 unfortunately, we're going to have to do it
12 sooner than later. So we recognize the uptick.
13 It's all identity theft as part of breaches in
14 the past, the Experian breaches, Target breaches.

15 I just got an e-mail today about
16 Wegman's data being breached. So you know, we do
17 recognize the uptick and we plan to implement
18 further tools to prevent it.

19 REPRESENTATIVE ROWE: Do you have a
20 timeline for implementation?

21 DEPUTY SECRETARY TRUSKY: No. Like I
22 said, sooner than later. I've been in
23 communication with the GSI staff. They have
24 implemented ID.me in -- in other systems that
25 they operate across the country. We just need to

1 dot some i's, cross some t's as it relates to
2 procurement. So again, hopefully sooner than
3 later, because we've recognize it has worked in
4 the PUA system.

5 And you know, many states are using it.
6 They've just contracted with the IRS. And the
7 Department of Labor is encouraging states to use
8 identity verification tools, so hopefully soon.

9 REPRESENTATIVE ROWE: Okay. Thank you
10 very much.

11 Thank you, Mr. Chairman.

12 MAJORITY CHAIRMAN COX: Next, we have
13 Representative Gainey.

14 REPRESENTATIVE GAINEY: Thank you,
15 Chairman.

16 Madam Secretary, congratulations on your
17 permanent position. I have a couple questions.
18 One is, I'm in an area where it serves a lot of
19 low, low, low income communities. And I was
20 wondering if we had a percentage of the number of
21 people that's below the 50 percent federal
22 poverty line in regards to how many have already
23 received their benefits, compared to those who
24 haven't because those are the ones, t the end of
25 the day, on the brink of homelessness. So I was

1 just wondering if we had any information that I
2 can give back to the community of how many in
3 that area have been served.

4 DEPUTY SECRETARY TRUSKY: That's
5 something we don't have in front of us now;
6 however, I'm happy to ask our Center for
7 Workplace Information and Analysis if they can
8 run those numbers, and we'll be happy to get back
9 to the Committee Chairman.

10 REPRESENTATIVE GAINEY: I would love
11 that.

12 And then, in recent -- we talked about
13 the Department of Labor, your Department, reports
14 that one million Pennsylvanians were signing up
15 for PAUC pandemic unemployment -- pandemic
16 emergency unemployment compensation UC benefits
17 extension, or pandemic unemployment assistance.
18 How many are now actually being paid benefits
19 versus those who signed up but still are waiting
20 for their benefits?

21 SECRETARY BERRIER: Currently, our
22 number of individuals who we're continuing to pay
23 numbers of -- and I'm going to give you the
24 numbers that we had the week of May 22 because
25 we're still working out reporting with the new

1 system. We currently -- as of the week of
2 May 22, we had 302,000 Pennsylvanians on the PEUC
3 program, and we had 205,000 individuals on the UC
4 program. For the PUA, for the give workers
5 business owners, those sort of individuals, we
6 have 502,000 individuals who are currently being
7 paid PUA.

8 REPRESENTATIVE GAINEY: Okay. And
9 thirdly, with this new system dealing with
10 customer service, more people coming on, have you
11 seen an increase or decrease in the amount of
12 complaints from people in the State looking for
13 unemployment? Has the system, because we've
14 added more people, has it justified the means, in
15 meaning that we're receiving less complaints, or
16 is it about the stabilization, about the same
17 amount of complaints, or have we seen an
18 increase?

19 DEPUTY SECRETARY TRUSKY: I think we've
20 seen -- and I believe our war room team would
21 agree -- we've seen a decrease in complaints. We
22 are monitoring social media, every post, daily.
23 You know, initially, one of our main pain points
24 with the system was Keystone ID, people actually
25 logging into the system, which we recognize as

1 critical to the success of any system. But
2 overall, the amount of complaints that have
3 decreased, as have the amount of calls.

4 For example, yesterday when we met
5 around 3:00, we had 15,000. At the height of
6 this, we had over 85,000 calls a day. So the
7 amount of calls and the amount of complaints are
8 decreasing.

9 REPRESENTATIVE GAINEY: And being
10 proactive and looking towards the future, knowing
11 that we could have another virus at any time, are
12 we prepared for that from a customer service
13 standpoint? Do we have enough -- do we have
14 enough personnel to be able to do that or is that
15 something that, as legislators, we should be
16 looking forward to make sure that our
17 constituents are taken care of?

18 DEPUTY SECRETARY TRUSKY: I think right
19 now we have enough staff, however, I think it's a
20 discussion the Department and the Committee
21 Chairs need to have as, you know, you as
22 legislators, how do you want the system to look
23 from a customer service standpoint? You know,
24 our funding is limited from the feds. You --

25 REPRESENTATIVE GAINEY: I get that. But

1 I'm saying, those on the -- you being on the
2 ground and your ability to be able to inform us
3 of what you need going forward so that you're
4 more prepared and we're being more proactive,
5 because we understand the signs and the times
6 now, than being reactive, from your point of
7 view, what do you need?

8 DEPUTY SECRETARY TRUSKY: Right now --
9 you know, right now, as we've said previously,
10 we've had -- the funding would be the key because
11 funding allows us to staff appropriately. So
12 that's the key moving forward. Our staff is
13 based on the amount of funding we have. So you
14 know, we've learned quite a bit in the last 15
15 months as far as tools that work, amount of staff
16 we need, et cetera.

17 But -- but again, it all comes down to
18 funding and people. We've also learned how
19 important people and staff are. We can't just
20 have an automated system that fixes things. The
21 system is way too complicated. So -- so that's
22 the question, Representative.

23 REPRESENTATIVE GAINEY: But if the
24 funding was there for personnel, you would be
25 more prepared for the next virus.

1 DEPUTY SECRETARY TRUSKY: Absolutely.

2 REPRESENTATIVE GAINEY: Thank you.

3 MAJORITY CHAIRMAN COX: Next we have
4 Representative Irvin.

5 REPRESENTATIVE IRVIN: Thank you,
6 Secretary, for being here. On a side note, it
7 was great to see you out in -- actually, it was
8 Representative Gregory's district, at the
9 Carpenters Union ribbon cutting. They had a nice
10 training facility, and to see you out in the
11 central part of the State -- I know a lot of
12 people say Harrisburg is the center part of the
13 State, but we -- I live in the -- my district is
14 in the central part of the State, so -- and
15 congratulations on your confirmation.

16 You know, one quick question. The
17 eligibility determinations that I know a lot of
18 people have been frustrated with, would you say
19 because the new system came online, that has been
20 able to free up staff in order to look at
21 additional -- is that what mainly attributes to
22 being able to get a lot of those eligibility
23 determinations done?

24 DEPUTY SECRETARY TRUSKY: Yeah, I think
25 actually our customer service initiative and our

1 partnership with InspiriTec and taking our folks
2 off the phone and putting their folks on the
3 phone has allowed our folks to work behind the
4 scenes and process the work faster. So you know,
5 unfortunately, we weren't able to do that sooner
6 because of the way the federal assistance acts
7 were rolled out. We were limited as far as how
8 long we could use contracted staff.

9 With the last stimulus bill, there was a
10 longer ramp-up. You know, it was the past, what,
11 February, and then we have until September to use
12 contracted staff. And then, once we knew we had
13 that length of time, that's been very helpful to
14 free up our staff and let them get more work done
15 behind the scenes.

16 REPRESENTATIVE IRVIN: That's definitely
17 a big complaint I've been seeing in our office,
18 any ways. And then the other thing, a follow-up
19 was, in the past you've said that with the new
20 rollout of the GIS system, payments that were
21 going to be paid to them, they had to be --
22 benchmarks needed to met before they would pay.
23 And have -- has GIS received any payment for the
24 system yet or what technical problems need to be
25 fixed and what expectations does the Department

1 have before a payment goes out to them?

2 DEPUTY SECRETARY TRUSKY: We haven't
3 received the final bill yet, so -- I know we owe
4 them a nice chunk of change because of the way
5 the deliverable contract was set up. You know,
6 I'm going to have to check with our project
7 management team as far as what benchmarks they
8 need to hit to receive that final payment. But
9 again, I -- you know, I have to thank them, as
10 Jen said, CSG, our project management team, our
11 core team, our staff. You know, I've looked at a
12 lot of states, what they've done as far as
13 modernized rollouts, and we should all be proud
14 how this system has rolled out.

15 I think we're -- we'd all agree that
16 we're weeks ahead of where we thought we'd be.
17 And that's a credit to our team that tested and
18 tested repeatedly. So I can't say enough about
19 our staff and how well they've done to make the
20 system work.

21 SECRETARY BERRIER: And how --

22 DEPUTY SECRETARY TRUSKY: I'll get back
23 to you on the payment.

24 REPRESENTATIVE IRVIN: Well, you can get
25 back to John.

1 DEPUTY SECRETARY TRUSKY: Yeah, I will.
2 Thanks.

3 REPRESENTATIVE IRVIN: And lastly, you
4 know, legislative bodies are very fluid and laws
5 change. How flexible is this new system whenever
6 it comes to making changes if we pass a law that
7 changes unemployment compensation? And, you
8 know, in the past, there's been pushback because
9 the old system didn't have the flexibility to
10 make those changes. What is the ongoing
11 relationship going to be with GSI in order to
12 make any changes in the future that are
13 legislatively pushed down?

14 DEPUTY SECRETARY TRUSKY: Much easier to
15 do, much, much easier to do in the new system.
16 We also have the benefit of GSI. Right now, this
17 was their fourth state they rolled out. So you
18 know, we meet with the other states, talk about
19 things that they're doing in the system that work
20 better, create more efficiencies. So it's a
21 monumental change. And it would have made a huge
22 difference during the pandemic. The rollout of
23 the federal programs would have been a lot easier
24 to implement, so that's a very, very large
25 benefit of the new system.

1 REPRESENTATIVE IRVIN: Thank you. And
2 keep up the work -- good work.

3 DEPUTY SECRETARY TRUSKY: Thanks.

4 MAJORITY CHAIRMAN COX: Next, we have
5 Representative Pisciotano.

6 REPRESENTATIVE PISCIOTTANO: Thank you,
7 Mr. Chairman.

8 I think that I was perhaps the most
9 skeptical of this whole rollout on the entire
10 Committee, so I just want to say that I'm
11 pleasantly surprised and pass along
12 congratulations on the great work that you and
13 your team have done to get us to this point.
14 There's obviously still some road to go down to
15 get there, but I think that I was very, very
16 nervous about this rollout and you guys did a
17 great job of making sure it was successful.

18 I will reiterate what Representative
19 Innamorato mentioned about the backlog. I know
20 that after one week you guys have almost doubled
21 the amount of determinations you were able to
22 make now with the new system. We need to get
23 through that backlog as soon as possible, so -- I
24 know that that's a focus of your whole Department
25 now that the Ben Mod system is implemented, but I

1 did want to reiterate how important that is to
2 many of our constituents about getting those
3 determinations done.

4 So again, congratulations and a job well
5 done, even though we have a long way to go still.

6 SECRETARY BERRIER: Thank you. Our
7 staff deserves all the credit. We have a great
8 team. So thank you.

9 MAJORITY CHAIRMAN COX: All right. Any
10 other individuals prior to me going to
11 Representative Mullery?

12 Representative Mullery.

13 MINORITY CHAIRMAN MULLERY: Thank you,
14 Mr. Chairman.

15 Madam Secretary, thank you for being
16 here.

17 Do any of the new staff benefits that
18 you've outlined in your testimony, or any of the
19 modernization efficiencies that you've described,
20 negate the need for the changes I have
21 recommended in HB 549?

22 SECRETARY BERRIER: No.

23 MINORITY CHAIRMAN MULLERY: Okay. And
24 my good friend from the City of Pittsburgh hit on
25 this and went down the line of questioning that I

1 had, so I'll just -- I'll follow up and maybe
2 make it more precise. Let's assume that there is
3 no appetite to move or consider HB 549 or similar
4 legislation to help prepare you and your
5 Department for another large influx of claims.
6 What are you able to do independent of the
7 legislature to prepare yourself for such a
8 situation?

9 SECRETARY BERRIER: I think that it will
10 place more reliance on -- for us to depend on the
11 federal government, which tends not to act
12 quickly, and it gives us a little bit of
13 inflexibility. I think that, you know, we've
14 proposed some efficiencies that we thought would
15 improve the system, however, without those, I
16 think that if we're faced with another pandemic,
17 again, we will try our best, but I think there
18 will probably still be some delayed response.
19 And I think we'll still have some trust fund
20 issues, as well.

21 MINORITY CHAIRMAN MULLERY: Thank you
22 very much. And thank you for your testimony
23 today.

24 SECRETARY BERRIER: Thank you.

25 MAJORITY CHAIRMAN COX: I'm going to

1 share with you something that one of my
2 colleagues shared during the budget
3 Appropriations and that's this. That's me
4 calling the UC Center. Why are we still getting
5 busy signals?

6 My staff has reported, others have said,
7 hey, I'm still having trouble. We're hearing
8 that things have been ramped up and everything
9 else with the customer service initiative, yet on
10 the ground, my constituents, all of our
11 constituents, are receiving that busy signal.

12 What's going on with that?

13 DEPUTY SECRETARY TRUSKY: Yesterday, I
14 know we answered over 7500 calls with 15,000
15 calls made to the system. So you know, we have
16 had a couple hiccups with regards to the new
17 staff working, being trained, being efficient.
18 And so we've been working with InspiriTec to make
19 sure we get to those large number of staff that
20 we expect to have as a result of the contract we
21 entered into.

22 So again, it's just a matter of the
23 number of staff versus the number of calls. It
24 is a lot. It's easier to get through, you know,
25 if you keep trying. Again, maybe if I called

1 right now, I'd get through. But again, it's an
2 issue of having enough staff and ramping that
3 customer service initiative to the point that
4 we're all comfortable with.

5 SECRETARY BERRIER: And also, I mean, we
6 have experienced an uptick of calls as it relates
7 to the rollout of this new system. I do expect
8 the number that Bill gave you as far as the daily
9 calls that we received yesterday to decrease
10 significantly once the system is stabilized and
11 once users become more familiar with the system,
12 as well.

13 We're noticing that a lot of our calls
14 are individuals who have issues using the system.
15 They're not familiar with it, so some of these
16 calls are a little bit more basic. So we're very
17 hopeful that once there's more familiarity, those
18 numbers will decrease and people will be able to
19 get through to our phones.

20 MAJORITY CHAIRMAN COX: Okay. In
21 earlier -- one of your earlier comments, Bill,
22 was the Indiana center, I think you said, is
23 transitioning to a larger space to accommodate
24 the workforce. Is that a temporary move? Is
25 it --

1 DEPUTY SECRETARY TRUSKY: No, it's a
2 permanent move.

3 MAJORITY CHAIRMAN COX: Okay. And so
4 you anticipate bringing on large numbers of
5 employees and keeping them on or --

6 DEPUTY SECRETARY TRUSKY: Indiana is our
7 smallest center right now. And based on the
8 number of folks we've hired in that area, we
9 needed a larger space. We were -- even prior to
10 the pandemic, the number of staff we had on
11 board, we were, you know, on the way to moving
12 Indiana. And again, that's a permanent move.
13 The folks in Indiana are happy to move into a
14 larger building.

15 Yeah, so it's permanent.

16 MAJORITY CHAIRMAN COX: And a lot of us
17 have begun to hear that in the corporate world
18 they're trying to right size things. They're
19 trying to find that balance between office space
20 that they rent, you know, at certain dollars per
21 square foot versus having an employee work at
22 home. We've seen kind of the up and the down
23 side. You mentioned training was very difficult
24 to do virtually. I've heard the same thing from
25 private sector employers.

1 Once the training occurs though, the
2 private sector employers tell me that, you know,
3 getting them in, working them through the system,
4 having them able to ask questions on the spot
5 with a trainer is one thing. Once they get them
6 trained, troubleshooting virtually is much
7 easier. And so they are doing training in
8 person, but then the job is transitioning or
9 remaining virtual in some of these instances.
10 And our commercial real estate market is
11 reflecting this.

12 So I thought it was curious that the
13 Indiana, you know, you're expanding space in a
14 time when the rest of America seems to be
15 contracting its office space. And I know there's
16 a balancing act between virtual employees and
17 non-virtual. Sometimes the systems aren't as
18 usable virtually and so forth. In the end, I and
19 my colleagues here are looking for that best
20 constituent experience, the efficient processing,
21 and so wherever that needs to be.

22 I say all that to say there were some
23 rightsizing efforts. And I believe the
24 Department had contracted with someone regarding
25 rightsizing, the staffing, and all of that. Can

1 you get me an update -- give the Committee an
2 update on the rightsizing efforts, as far as what
3 that employee complement should look like?

4 I know the COVID world is a strange
5 animal right now --

6 DEPUTY SECRETARY TRUSKY: And the study
7 we did kind of reflected that. There's no right
8 answer, you know. It's -- we were hoping to get,
9 you know, a recommendation that we were all
10 comfortable with as far as what is rightsizing,
11 but it ultimately depends on the volume of the
12 work, you know. There's discussions nationwide
13 about having, you know, a team of almost like UC
14 reservists, so to speak, you know, bringing back
15 subject matter experts if something like this
16 happens again.

17 So it's -- it's really difficult to say.
18 And that's why I think we, you know, the
19 Department, the Legislature, needs to have a
20 discussion on what you're comfortable with from a
21 customer service standpoint. You know, I think
22 we've been talking about this going back to 2013
23 when the initial SWIF money was allocated to the
24 Department.

25 You know, what we get -- and we have no

1 idea. It's what, June 23rd and we have no idea
2 what our next year's federal fiscal budget is. I
3 mean, there's been absolutely no talk about what
4 we're going to receive. So it's really, really
5 difficult to run a program this size with the
6 uncertainties in funding, you know. So I think,
7 you know, we as a Department are committed to
8 being rightsized, committed to providing a
9 quality customer service experience, and we'd
10 like your partnership.

11 MAJORITY CHAIRMAN COX: Well, we've
12 discussed that in the past, and I think there
13 have been some strides made in that arena.

14 A couple questions about the ongoing
15 contract. What is the -- is it safe to assume
16 there's an annual contract with GSI to maintain
17 and make updates as I think Representative Irvin
18 was talking about, you know, if we put a change
19 in statute? There's kind of a -- oh, what's the
20 word I'm looking for, a retainer fee of sorts, or
21 is there an ongoing --

22 DEPUTY SECRETARY TRUSKY: Yeah, that we
23 refer to as maintenance fees --

24 MAJORITY CHAIRMAN COX: Okay.

25 DEPUTY SECRETARY TRUSKY: -- that we'll

1 be paying yearly to GSI. I mean, we're --

2 MAJORITY CHAIRMAN COX: What is that
3 maintenance --

4 DEPUTY SECRETARY TRUSKY: I'd have to
5 look to make sure --

6 MAJORITY CHAIRMAN COX: Okay.

7 DEPUTY SECRETARY TRUSKY: -- what the
8 numbers are.

9 MAJORITY CHAIRMAN COX: You can provide
10 that to --

11 DEPUTY SECRETARY TRUSKY: Yeah.

12 MAJORITY CHAIRMAN COX: -- my staff and
13 we can deliberate it to the Committee members.

14 DEPUTY SECRETARY TRUSKY: Yeah. I'd be
15 happy to.

16 MAJORITY CHAIRMAN COX: It would be
17 helpful to know. And is that a -- is that a
18 locked-in five-year contract, one year? Like,
19 what are we looking at there as far as -- is it
20 an escalating contract based on the economy or is
21 it a -- like, what are the contingent factors, if
22 any, within that contract for maintenance?

23 DEPUTY SECRETARY TRUSKY: -- yeah.

24 MAJORITY CHAIRMAN COX: Okay. Those are
25 the types of things I'm curious about.

1 DEPUTY SECRETARY TRUSKY: I know we're
2 married to GSI right now and they're not going
3 anywhere. So the old --

4 MAJORITY CHAIRMAN COX: And we're too
5 far beyond the old --

6 DEPUTY SECRETARY TRUSKY: Yeah, we had
7 the old system for 50 years. So I don't know if
8 we'll have GSI for the next 50, but they're not
9 going anywhere any time soon, and we really
10 appreciate the partnership. Again, I know the
11 PUA rollout was quite rocky, but that was rocky
12 in 53 other states and territories across the
13 country. But you know, comparing that to this is
14 apples to oranges, you know, as far as the
15 rollout goes.

16 So you know, we look forward -- and I
17 think the benefit that they'll receive of getting
18 Pennsylvania across the finish line will only
19 help the other states that they have, and also,
20 as far as them procuring other businesses. And I
21 look forward to seeing how the system develops.

22 MAJORITY CHAIRMAN COX: Okay. And
23 another question regarding the system itself.
24 Does the Department own the software or is it
25 fully owned by GSI?

1 DEPUTY SECRETARY TRUSKY: It's owned by
2 GSI.

3 MAJORITY CHAIRMAN COX: So we've seen --

4 DEPUTY SECRETARY TRUSKY: It's
5 proprietary software.

6 MAJORITY CHAIRMAN COX: And so we've
7 seen this in another area, and it's become a
8 larger concern for me and others in recent days,
9 and the Department of Health, or Human Services,
10 who actually holds a contract. Proprietary
11 ownership of a system will make bidding for
12 anyone else next to impossible.

13 Was there any consideration given to
14 that in the contracting as far as -- and I
15 understand GSI doesn't want to hand over the
16 system, but they could have said this is our
17 price and you guys will own it after we're done
18 with it. But to me, being reliant on an
19 organization -- we're kind of under their thumb
20 forever. So that's an ongoing concern for me.

21 And so with that in mind, what is the
22 contract -- what are the terms of the contract?
23 Are -- and again, this might be something you
24 have to look up. Are we in for five years
25 minimum, you know, what is the process there?

1 And then, what happens if we say, you know what,
2 this relationship isn't working out; we want a
3 divorce? What does that look like for
4 Pennsylvania taxpayers? Are we in for an all-new
5 system at X millions of dollars?

6 So those are some things that I'd love
7 to have the answers to. I think it would be
8 informative for the Committee and for us as a
9 legislature going forward. Contracting in this
10 day and age, it should still protect the
11 taxpayer. So I have some concerns that the
12 contract we have with GSI -- and again, there are
13 others. And I serve on the Health Committee, so
14 we're aware of some other situations where the
15 proprietary nature of their system has basically
16 locked out any other bidders, you know. No one
17 else can compete because they can't break into
18 the system, if you will.

19 So we'll probably have to have
20 additional discussions on this and a potential
21 hearing, but I'd like to explore the contract a
22 little bit more. Whatever you can provide in the
23 interim would be fantastic.

24 DEPUTY SECRETARY TRUSKY: Happy to do
25 so.

1 MAJORITY CHAIRMAN COX: All right. I
2 appreciate you both coming in. Good to see you
3 both in person. I feel like things are starting
4 to get back to normal, which has been my hope for
5 a long time.

6 We will likely have an additional
7 hearing sometime during the summer to do some
8 followup and see how some of these additional
9 questions can be answered and, you know, what it
10 looks like two months down the road. So if
11 you're willing to do that, we would love to have
12 you in again. And I appreciate your willingness
13 to come in and talk today. Again, hope you have
14 a good day.

15 This meeting is adjourned. Thank you.

16 DEPUTY SECRETARY TRUSKY: Thank you.

17 SECRETARY BERRIER: Thank you. Thank
18 you, everyone.

19 (Whereupon, the proceedings concluded
20 at 10:35 a.m.)

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C E R T I F I C A T E

I hereby certify that the proceedings are contained fully and accurately in the notes taken by me from audio of the within proceedings and that this is a correct transcript of the same.

Tracy L. Powell

Tracy L. Powell, Court Reporter