



**Testimony of Acting Secretary Jennifer Berrier
Department of Labor & Industry
Before House Labor & Industry Committee
June 23, 2021**

Good morning, Chairman Cox, Chairman Mullery, and members of the House Labor & Industry Committee. Thank you for the opportunity to speak with you today to share some updates on the Unemployment Compensation (UC) Modernization Project following a successful launch on June 8. I am joined this morning by Executive Deputy Secretary and Acting Deputy Secretary for Unemployment Compensation Bill Trusky.

The Journey to a Modernized UC System

As you are aware, on June 8, the Department of Labor & Industry (L&I) launched the long-awaited Geographic Solutions Unemployment System (GUS) through the four-year UC Benefits Modernization ("Ben Mod") project. To date, since "go-live," we have paid out \$414,89,488.77 dollars and 422,450 claimants are filing weekly certifications. I am pleased to report that this number of claimants is consistent with those filing for regular UC and Pandemic Emergency Unemployment Compensation (PEUC) prior to the launch.

Over the past few decades, there have been several attempts to modernize our nearly fifty-year-old legacy mainframe system, including an unsuccessful effort during the late 2000s. L&I began the procurement process to restart the current Ben Mod project in 2015 and brought on board CSG Government Solutions (CSG) as our project manager and selected Geographic Solutions, Inc. (GSI) as our system integrator who offered the "best value" for the \$35 million contract. In August 2017, work on Ben Mod officially launched with an initial go-live date in April 2019. To ensure transparency and accountability, the BenMod Advisory Committee was created under Act 60 of 2017 to monitor, assess, and counsel all stakeholders on the implementation of the new UC system. In early 2019, L&I determined that GSI's initial schedule for a go-live date in April 2019 was too ambitious and, with the support of the BenMod Advisory Committee, made the decision with GSI to push back the launch to October 2020.

Neither L&I nor the BenMod Advisory Committee could have predicted the global pandemic and its unprecedented impact on workers across the nation, including in this commonwealth, and the subsequent strain placed on its UC system. Since March 2020, L&I has responded to the most significant unemployment crisis since the Great Depression. The speed and scope of the crisis dwarfed even the impacts of the Great Recession in the late 2000s. In 2009, over 960,000 Pennsylvanians filed initial UC claims. During the 21 days between March 15 and April 4 of last year, Pennsylvanians filed 1,068,493 initial claim applications. Since the beginning of the pandemic, L&I has

received 3,148,709 claims for regular UC. As you well know, the pandemic greatly strained our staff's capability to process claims, even as we quickly ramped up staffing, including more than doubling our staffing numbers at the UC Service Centers with the addition of permanent staff and temporary contractors.

Additionally, L&I implemented five new federal programs, including Federal Pandemic Unemployment Compensation (FPUC), Pandemic Unemployment Assistance (PUA), Pandemic Emergency Unemployment Compensation (PEUC), Lost Wages Assistance (LWA), and Mixed Earners Unemployment Compensation (MEUC). The long-dormant Extended Benefits program was also activated by the high level of unemployment. PUA was, and continues to be, the most difficult and labor-intensive program to implement. We have received over 2,650,879 applications for PUA. GSI was chosen to integrate L&I's standalone PUA system, and in less than a month delivered not only system functionality but system integrity. These efforts became increasingly challenging as sophisticated global fraud syndicates targeted PUA systems around the country, including in Pennsylvania.

It is imperative to put in perspective the unprecedented amount of staff and vendor resources that were redirected to deal with the benefit claims resulting from the pandemic, related federal legislation, and unprecedented fraud attacks. Our staff did their absolute best to continue to move the Ben Mod project forward, however, the unplanned expanded scope of responsibilities due to the impacts of the pandemic led L&I to delay the "go-live" date once again in October 2020, upon the BenMod Advisory Committee's recommendation.

It is important to note that prior to March 2020, progress towards the launch of the new UC system was proceeding smoothly. Beginning in August 2017, 11 full-time dedicated testers from the "Ben Mod Core Team" conducted extensive testing in the system. They repeatedly tested converted data from the legacy system to ensure data quality and integrity. The system integrators used what industry experts refer to as an "agile" development methodology for the Ben Mod project. Rather than conducting a "waterfall" or "big bang" conversion where all the data is taken from the mainframe and converted in one fell swoop, this iterative approach to development focused on incremental sprints with discrete deliverables. These "sprints" were conducted on multiple different types of use cases that would be converted from the legacy mainframe system to the modernized system, including traditional UC claims, Trade Readjustment Allowance (TRA) claims, and eventually PEUC claims. This data was tested in multiple environments to ensure that we would mitigate and eliminate as many data conversion errors as possible. We even increased the number of testers from 11 full-time individuals in 2017 to about 56 full-time testers from May 2019 through February 2020. In early March 2020, the number of testers was increased to 90, however, due to the impacts of COVID-19 including to staff safety and capacity, the number of full-time testers was scaled back to between 30-40 people for the remainder of 2020 and into 2021.

Even with this extensive testing, we knew it would be impossible to catch every single conversion error. This is the nature of any large-scale IT implementation project. We converted just shy of one billion records from the mainframe legacy system to the new GUS system. The data conversion process is akin to trying to fit a square peg into a round hole as we had to take old and clunky legacy-based data based on antiquated programming to a newer data language and environment. While we were successful in moving the data to the new system, our subject matter experts caution that we will likely continue to see the short-term impacts of large-scale data conversion, as is expected of any new IT system launch.

This constant testing continued into Spring 2021 when we made the decision to “go-live” on June 8. There were many strategic reasons why we were ready to “go-live” on June 8, including a steady decline in weekly new claims volume, the completed implementation of the federal pandemic programs reauthorized by the American Rescue Plan Act, the timing of June 8 arriving before the next quarter change, and GUS’s more streamlined business processes that would allow L&I to process backlogs more quickly. However, the biggest driver of all was our belief based on countless hours of developing, testing, and using GUS that we were ready to bring the UC system into the 21st century and provide Pennsylvanians a modern, customer-friendly, and easily accessible website to obtain their benefits in an efficient and timely manner.

Laying the Communication Groundwork for a Successful Launch

We knew education and communication were essential pillars to the successful launch of the new UC system. We began hosting educational workshops for legislators and their staff, as well as the UC advocate community in early May. We also initiated public workshops for claimants and employers to promote awareness of the impending launch. In total, we have held 23 workshops, in English *and* in Spanish, intentionally holding them on weekday and weekend mornings, afternoons, and evenings, to ensure the broadest reach possible. We averaged 1,036 claimants on the English-language workshops and eclipsed over 2,700 employers in one employer town hall. Additionally, video tutorials on filing a new and weekly claim were translated into Spanish, Mandarin, Vietnamese, and Arabic to provide greater accessibility. We also created nine separate user guides for claimants and employers to familiarize themselves with the UC Ben Mod System prior to the launch.

After discussions with other states who had previously launched modernization projects and incorporating lessons learned from our previous experience with launching the PUA system, we constituted a 14-person Communications “War Room” with a mix of staff from across the agency that would be on call, 24/7, to respond to any potential issues that could arise once we went live on June 8. In anticipation of potential system issues, we launched a UC System Check Enhancement Tracker on our website to report on the status of potential system errors and the status of resolution. To ensure we would be

updating the Enhancement Tracker in real time, we launched an internal reporting process for legislative offices to forward potential system issues, as well as an external process for the public to report potential system issues through SurveyMonkey that would be monitored in real time, in addition to our constant monitoring of social media. We also developed an internal process to identify and validate potential system issues, working with the Ben Mod Core Team as well as GSI. This robust process ensured that we would be ready to respond and react in real time when we went live on June 8.

The legacy mainframe system was taken fully offline on June 3 to allow for final data conversion into the new GUS system. Over the weekend “blackout period,” almost a billion pieces of data were converted successfully, and we launched the new system on the morning on June 8, as planned.

Following the launch, we experienced ten times the normal volume of traffic on our website. More users successfully filed for benefits in the first twelve hours following “go-live” than would have typically interacted with L&I’s unemployment system on a weekly basis prior to COVID-19. On June 9, 75,800 individuals were paid a total of \$59 million. Through our multichannel reporting process, our team became aware of several system issues that affected a minority of claimants, mainly relating to problems logging in with Keystone ID and claimants reporting inactive, ineligible, or disqualified in their claims status. We quickly triaged, identified, and validated these issues, communicated them to the public via our Enhancements Tracker, and began to work on system fixes immediately. As of June 21, we reported nine system-wide issues on our Enhancements Tracker; remarkably, six of these issues were resolved within a week and staff continue to work tirelessly to address outstanding system issues affecting a minority of our claimant population.

To update the Enhancements Tracker, our communications “war room” reviewed over 6,200 responses from the SurveyMonkey. This data, in addition to feedback received from legislative offices and social media, guided our public education efforts on informing claimants of troubleshooting, navigating the new UC system, and other workarounds. We: updated 39 FAQs on our website; created eight original YouTube videos on how to navigate the new UC system; launched a “Quick Tips” page with helpful information for ten commonly occurring user errors; posted 91 Facebook posts and 147 Twitter posts reaching a combined 1.66 million users on Facebook and generating 5.5 million impressions on Twitter; sent out 10 claimant emails specific to modernized system resources, tips and FAQs reaching 1,944,837 claimant emails on file in the system; and sent 6 employer emails that reached the 435,997 employer emails on file with the system.

On top of our education efforts to claimants, we expanded outreach by holding four virtual press conferences with 51 media outlets. To date, we have sent out 17 press

releases on the new UC system since April 8, 2021 and have responded to more than 60 media inquiries regarding UC over the same time frame.

Proactive communication is key to the successful rollout of any system conversion of this size, and I am proud of our ongoing communications efforts. These efforts, combined with the internal work of the Ben Mod Core Team and GSI, are why after two weeks I am pleased to report that we see a comparable number of claimants filing weekly certifications. Again, to date, we have paid out \$414,879,488.77 dollars in benefits and 422,250 individuals have filed weekly certifications.

Benefits of the New System for Claimants, Employers, and UC Staff

The UC Modernization System provides a vastly better user experience for not only claimants, but for employers and our internal staff. We recognize and are aware that some claimants are still experiencing issues, and our internal staff continues to familiarize themselves with the new system, but we know after these initial wrinkles are ironed out, the benefits of the system switch will be experienced by all front and backend users.

For claimants, the benefits are evident. The new system looks and functions like a modern website. It is easy to access and use on both phones and other mobile devices, and this is important as we know about 70% of UC claimants access our websites through these devices. Additionally, it provides claimants an unprecedented degree of transparency into their claims compared to the legacy system and transitions them from a paper-based to electronic process. Imagine having to physically go to a bank location to transfer or withdraw funds, compared to your bank launching an online portal in order to access your money from anywhere at any time. Claimants can now see the whole history of their claims online. All their paperwork, including financial determinations and appeals documentation, will be stored in their personal dashboard, which can be accessed at any time. They will no longer have to worry about losing documentation in the mail or in their personal files.

Claimants can now log in and file appeals automatically rather than mailing them in with no tracking mechanism to ensure that L&I receives and processes the appeal in a timely manner. Claimants can now see if they have overpayments or liens filed against them and what the balances are, rather than waiting for L&I to send a monthly update by mail. Lastly, the new UC system allows claimants to file weekly, rather than biweekly, for their benefits, and claimants will be paid when they file.

For employers, the improvements may be even more notable. In the legacy system, employers had very little insight into the UC process unless they called L&I. In the modernized system, employers now have an account where they can manage claims all from one spot. They will also be able to file appeals from within the new system, much like claimants. Additionally, employers will be able to access all their documentation online. Previously, employers would only receive quarterly reports of a notice of charges, along with a list of claimants and the claim weeks they had specifically been

paid. Now, employers will be able to log into the system and access this information in real time. Lastly, another common complaint we heard from employers about the legacy system was that they were constantly asked by L&I for the same information repeatedly. In the modernized system, information pre-populates and employers should only have to submit information once.

While the modernized system enhances the user experience for claimants and employers, it also creates a multitude of administrative and management efficiencies for our internal staff that will streamline our internal processes. Prior to the modernized system, our staff had to manually distribute work to employees, whether this was done by actual pieces of paper or on spreadsheets. With manual work distribution, some claims were bound to be overlooked as paper was misplaced or spreadsheets inadvertently deleted. Now, all work distribution happens centrally within the system, which allows our managers to ensure that no claimant is missed and ensure proper distribution of work for our staff.

Another internal operational efficiency comes from claimants having all their documentation stored in the dashboard. In the legacy system, whenever claimants lost or misplaced determination letters, staff would have to spend time retyping them rather than working on active claims issues.

Further efficiencies revolve around transitioning from the outdated system itself. What would have once been costly, time-consuming projects with the commonwealth's Office of Information Technology (OIT) to set up new programs can now be handled oftentimes by UC program staff. For example, if disaster unemployment (DUA) is triggered, staff are able to work within the new system to accept DUA claims. Moreover, there are many administrative settings, which give our staff control over administrative items that can be changed in seconds, which previously would have taken weeks or more with our strained resources. An additional efficiency revolves around the idea of the "legacy mainframe" system itself. The legacy mainframe is not one system, but rather at least fifteen discrete systems that are not integrated. The modernized UC system centralizes those functions and data components into one system, creating staff efficiencies.

While staff are still familiarizing themselves with the new system, we have already begun to see signs of what is to come. Prior to the launch, staff issued an average of 8,000-9,000 determinations per full week of work. In the first week with the modernized system (which was short because it did not launch until Tuesday morning), staff was able to complete 9,000 determinations. In second week, staff was able to issue 15,578 determinations, while the new automated system was able to issue an additional 5,819. This level of productivity will allow us to make meaningful strides toward reducing the backlog of determinations. We look forward to continue building on this encouraging early progress once staff becomes more familiar with the system.

Determinations are not the only areas where we look to continue building on our improvements over the past year. Since mid-March of 2020, our staff has answered

1,742,430 phone calls, 3,016,304 emails, 271,094 chats, and our AI-assisted bot PAULA has had 12,203,731 interactions. Through our new customer service portal ticketing initiative, which was launched May 10, we have onboarded 622 InspiriTec staff to date and have answered 236,158 calls from May 10 to June 12. Over the same time last year, we answered 70,730 calls – representing over three times the number of calls answered.

I want to close by thanking our staff who have worked tirelessly over the past 15 months to increase our ability to process UC claims and stand up complicated federal programs from scratch, all while diligently preparing for the successful launch of the new UC system. I want to also thank your legislative staff who have been integral partners with us during this pandemic. We know that some outstanding system issues remain, and we will not rest until every eligible claimant has been paid.

I am proud of the progress that we have made over the past 15 months, paying out over \$45 billion in unemployment benefits to out-of-work Pennsylvanians. I am proud of the incredible work of our dedicated Ben Mod team who have worked diligently over the last several years to launch the new UC system. And I am proud of all the work our team has done since the launch to ensure and communicate system functionality and integrity. I am humbled to work alongside them to improve outcomes for claimants, employers, and staff alike.

Thank you for the opportunity this morning to share these updates about the launch of the new UC system. I look forward to answering your questions at this time.