

Unemployment Insurance (UI) Pandemic Response Briefing to the Joint Standing Committee on Labor and Housing

January 25, 2021

An Unprecedented Year

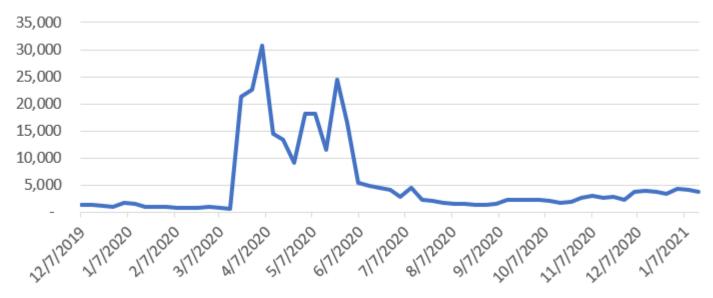


	2019	2020	
People who received benefits	34K	172K	
Amount ofbenefits paid	\$80M	\$1.7B	

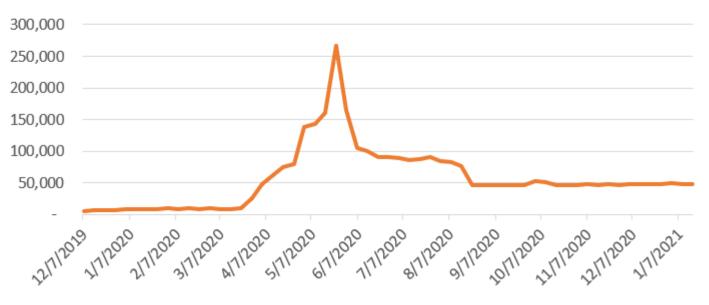
Initial Claims Filed

Rapid and Dramatic Increase in Initial Claims and Weekly Certifications

- 634 applicants per week increased to 75,000 in the first 3 weeks of the pandemic
- Implementation of PUA on May 1 resulted in another spike in claims filed
- Organized fraud schemes late May resulted in a spike – culminating in over 250,000 weekly certifications filed
- Initial claims volume remains 3x higher than previous years (3,800 v. 1,200)
- Weekly certifications volume remains 5x higher than previous years (42,000 v. 8,000)



Weekly Certifications Filed



Context and Actions Taken



Pandemic jolted the economy:

- **105,000 jobs lost** within weeks
- New unemployment claims skyrocketed from 600 in 2nd week of March to 21,000, 22,500 and 31,000 in the three subsequent weeks

Unemployment program was underfunded and understaffed even pre-pandemic

- Federal grants only funded 2/3 of operating budget
- Legislature approved additional funding (February 2020 budget hearings)

Actions Taken

- Immediate response required
- contracted support
- Signed contract for ~100 call center staff on March 28 (trained and taking calls on April 10 – ice storm day)
- Contracted for data entry and scanning support
- Employed law students as adjudicators
- Staff from other DOL bureaus and from other state departments (DOC, DHHS, WC) supplemented existing state staff
- State staff onboarding phase two
 - Rec'd assistance from prominent Maine business to help hire and onboard
 - Procured additional facilities and PPE for increased staff and social distancing

Systems designed for normal fluctuations

- Telecommunications infrastructure couldn't support call volume (peaked at 400,000 calls in one day)
- ReEmployME designed for the 9 permanent unemployment programs

Actions Taken

- State telco system reconfigured – UI program segmented from rest of state network
- ReEmployME modifications developed
- New programs
- ID verification

6 new unemployment programs created

- UI programs don't change often and are usually slight
- New programs designed to expand coverage and extend timeline of permanent programs
- States required to follow legislation and USDOL guidance (USDOL version of program rules)

Actions Taken

- Policies and procedures established
- ReEmployME modifications implemented
 - Spec development
 - Coding
 - Testing
 - Remediation
 - Deployment

Call volume and average wait times

significantly improved and will continue to improve with enhanced self service options



Performance improvements

	Beginning of pandemic ¹	Current state
Avg. daily call volume	108K	7K 🖣 94%
Avg. wait times	30-45 min	16 min 47%

Based on avg. incoming calls in May
 Based on September data
 Source: MDOL call center data

Key drivers of reduction

Increased staff count and experience, and claims volume decrease has allowed for better response times than early in the pandemic

Significant reduction in backlog and payment delays to claimants

Improved plain language messaging on unemployment website to address common questions

Redesigned online messaging

portal to allow better triage to support user questions, enabling faster email resolution

An unprecedented series of events

March

15. COVID-19 strikes Maine

- 16. Sudden, unprecedented surge in unemployment claims
- 17. CareerCenters shift to virtual services
- 19. Maine's emergency legislation enacted
- 19. MDOL participates in first live virtual Q&A session
- 27. CARES Act enacted
- 28. MDOL signs agreement with USDOL
- 28. MDOL signs contract for call center support
- 30. State network disrupted by volume of calls to 800 line

April

- 2. MDOL expedites benefit payments by waiving standard 10-day wait for seperation verifications
- 4. FPUC guidance released by USDOL
- 5. PUA guidance released by USDOL
- 6. MDOL implements alphabetical call schedule
- 10. PEUC guidance released by USDOL
- 10. Call center contractor goes live and call hours extended to 3pm
- 10. Ice storm knocks out power across the state, 800 line and access to online services impacted
- 16. FPUC \$600 payments begin
- 24. Fact-findings for certain initial claim issues are postponed and people put into pay status

May

1. PUA program open for initial claims

10. Extended Benefits program activated in accordance with Maine statute

21. UI exhaustees rolled into PUA until PEUC implementation26. Benefit payments held in response to surge in fraudulent claims

June

18. Weekly virtual legislative briefings resume
 Began recruiting for additional state staff
 Continued fraud prevention activities
 Contracted with management consulting firm

July

- 1. PEUC program 13-week extension implemented
- 4. Second surge in fraud attacks detected and remediated
- 24. MDOL begins increases to PUA weekly benefits for self-employed
- individuals whose earnings were verified with Maine Revenue Services
- 25. FPUC \$600 benefit program expires

An unprecedented series of events

August

4. Self-employed individuals can begin uploading tax documentation to substantiate an increased weekly benefit

6. Congress enacts new law resolving issue with 50% offset for direct reimbursing employers

8. FEMA Lost Wages Assistance (LWA) program authorized by Presidential Memorandum to provide 6 weeks of an additional \$300

9. Work search related activities reinstated for people permanently seperated from their employer

24. MDOL partners with Coursera to provide free online training, which counts as a work search related activity

26. MDOL's application for LWA accepted by FEMA

September

11. LWA payments begin

October

4. Work search related activities required for all unemployment benefit recipients

15. Fraud alerts issued on Account Take Overs

21. MDOL announces opportunity for people to provide feedback on claims filing process

November

14. Extended Benefits program deactivated in accordance with Maine statute

December

3. Commissioner Fortman sends letter to Congressional delegation urging extension of CARES Act programs

9. Governor Mills announces one-time \$600 Pandemic Relief Payment to unemployment recipients

22. Pandemic Relief Payments released to 40,000 people

26. CARES Act programs expire

28. Continued Assistance for Unemployed Workers Act is enacted Programming completed so that PEUC and PUA recipients with CARES Act entitlement remaining will not see a delay in their weekly benefit payment Programming completed to begin payment of new FPUC \$300 benefit for week ending January 2.

More to come

Implementation of Mixed Earners Unemployment Compensation Staff augmentation and process improvement for lower level appeals Identity verification for PUA recipients Past employment verification for PUA recipients Monitor and react to ending of Continued Assistance Act programs

Transitioning through Maine unemployment programs

State UI Benefits Recipients will automatically transition through PEUC and PUA until fully drawn or the programs end:



PUA Benefits Recipients will remain on PUA until fully drawn or the program ends:

Federal Pandemic Unemployment Assistance (PUA)

Up to 50 weeks through April 10, 2021

(No new applications after March 13, 2021)

What do you need to do if you have a \$0 balance?

Continue to file for your weekly certifications via ReEmployMe.

Individuals receiving UI or PEUC will be asked additional questions on their next weekly certification. If eligible, they will be **automatically enrolled** in PEUC or PUA, as reflected above.

There are no additional unemployment programs after PUA.

FPUC (\$300) – Anyone receiving a payment in the above programs during the weeks ending January 2 through March 13, 2021 will receive an additional \$300

Overview of the CARES Act extensions

Program	Original CARES Act Unemployment Benefits	Continued Assistance Act Extensions
Pandemic Emergency Unemployment Compensation (PEUC)	Expired week ending December 26, 2020 Maximum 13 Weeks	 11 additional weeks of benefits, to a maximum of 24 weeks. PEUC is available untilweek ending March 13, 2021, with allowance of fou additional weeks of benefits for those who have not reached the maximum number of weeks through week ending April 10, 2021.
Federal Pandemic Unemployment Compensation (FPUC)	Expired week ending July 25, 2020 \$600/week	 11 weeks of an additional \$300 weekly benefit to eligible claimants. A claimant must be eligible through a separate unemployment program to receive FPUC. Once implemented, FPUC will be available to cover weeks of unemployment between Dec. 27, 2020 and week ending March 13, 2021.
Pandemic Unemployment Assistance (PUA)	Expired week ending December 26, 2020 Maximum 39 Weeks Reduced by weeks of UI and EB.	 11 additional weeks of benefits, to a maximum of 50 weeks. Weekly certification required. Claimants will be required to provide documentation of eligibility PUA will be available until week ending March 13, 2021 (no new applications), with allowance for four additional weeks of benefits for those who have not reached the maximum number of weeks through week ending April 10, 2021.

MDOL Improvement Actions





Accelerated claims processing

- Data-driven decision-making for backlog visibility and management
- Streamlined operations to increase speed and improve access
- Targeted process redesign and automation to transition to next normal



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Example: Initial Claims status dashboard

							Aging b	ased on F	ile date/ Is	sue date								
	March 20	20	April 202	20	May 20	20	June 20	020	July 20	20	August 2	020	Septembe	r 2020	October :	2020	November	2020
	Nov 15	Nov 16	Nov 15	Nov 16	Nov 15	Nov 16	Nov 15	Nov 16	Nov 15	Nov 16	Nov 15	Nov 16	Nov 15	Nov 16	Nov 15	Nov 16	Nov 15	Nov 16
Pending status											2	2 0%	13	13 0%	20	16 -20%	124	104 -16%
Awaiting fact finding											6	5 -17%	17	16 -6%	141	112 -21%	176	19) 9%
Awaiting PUA evaluation	2	2 0%									2	2 0%	1	1 0%	1	-100%	1	0%
Awaiting B1	2	2 0%			1	-100%	1	1							2	2 0%	85	88 4%
Sub Total	4	4 0%			1	-100%	1	1 0%			10	9 -10%	31	30 -3%	164	130 -21%	386	388 0%
Flagged as potentially Fraudulent	10	10 0%	5	7 40%	8	8 0%	4	4	17	16 -6%	9	10 11%	12	12 0%	248	212 -15%	418	411
Sub Total	10	10 0%	5	7 40%	8	8 0%	4	4 0%	17	16 -6%	9	10 11%	12	12 0%	248	212 -15%	418	411
Grand Total	14	14 0%	5	7 40%	9	8 -11%	5	5 0%	17	16 -6%	19	19 0%	43	42 -2%	412	342 -17%	804	796 -1%

Analytics dashboard enabled data-driven decision-making across MDOL

Enhances operational effectiveness by prioritizing claimants in most need

Strengthens early identification and escalation of potential issues through data-driven decisionmaking process

Improves timeliness of resolution to issues faced by individual claimants

Improves trust amongst external stakeholders

MDOL Improvement Actions



Meaningful claimant and employer engagement

- Human centered design approaches rooted in claimant and employer viewpoint
- Simplified and modernized user interface to minimize burden on claimants
- Enhanced communication to claimants in simple visual design and plain language





Human-Centered Design approaches launched to simplify claimant and employer experiences

We used multiple sources of employers / claimants insight...



Quantitative Survey

Survey with ~600 people to understand experience and challenges



1:1 Interviews

~22 interviews with people

to gather in-depth insights and brainstorm opportunities / ideas



Usability testing

Engaged ~42 constituents

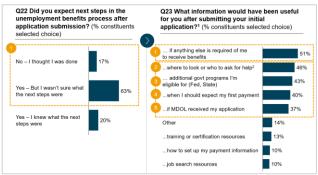
for user testing to obtain immediate reaction to proposed solutions

.....to quantify pain points across the entire journey from employment to re-employment

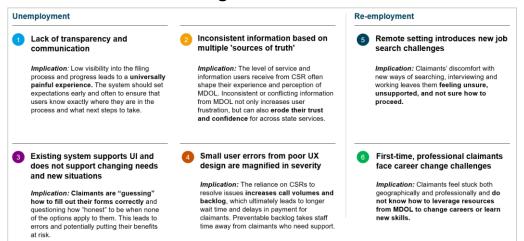
Efficacy of end to end claimant journey



Quantified severity of challenges



Qualitative understanding of frustrations





Example: improvements to online weekly claim forms

Before

Work Search Questionnal * Required Information	ire
Claimant SSN ***.**-4873 Claimant No	ame HDLX
Address 123 STREET	
NEW YORK, NY 11211	
Answer the following questions for the w	eek of:
Sunday, August 09, 2020 - Saturday, Augu	ust 15, 2020.
Providing false information is punishable	by law.
." During the week claimed, did you look for work? (This includes applying or interviewing for a job for which you are reasonably qualified)	O Yes 🔿 No
* During the week claimed, did you participate in one of the following? (Participation may be in person and/or online)	🔿 Yes 🔵 No
a. If yes, please identify the activity in which you participated (you may select more than	one):
Attended a job fair/virtual job fair hosted by a CareerCenter	
Participated in CareerCenter virtual reemployment services	
Participated in a CareerCenter virtual workshop	
Applied for a job for which you are reasonably qualified	
Interviewed for a job for which you are reasonably qualified	
Contacted an employer to inquire as to whether the employer is hiring	
Participated in a professional job-related education or skills development	
Participated in patworking avants related to a lob or conversion for which use a	re reasonably qualified

- Unclear guidelines or self-help
- Inflexible employment statuses
 now eligible for assistance
- Confusing interfaces leading to errors during submissions
- Not mobile friendly

Filing for v	week of Sunday, August 9 to Saturday, August 15	Weekly claims				
Here are th carefully ar	a weekly claim: step by step te steps to file your Weekly Claim. You should answer the folic d make sure your responses are correct to the best of your k providing false information is punishable by law.	Get started logging your work s update and add additional activ weekly basis so file a claim ever	vities throughout the week.	Eligibility is determined on a		
1 Re	port work search	Select a week				
rela	You will be guided through a series of questions to record any wi related activity or new employment. • You can start logging works sench activities anytime during th then return when the week has ended to complete and subn weekly claim. • Unless waked, work search activities?		STEP 1 Work search	STEP 2 Weekly certification	STEP 3 Review & submit	
		This week Nov 15 - 21, 2020	Completed	Will be available Nov 22 - Dec 5, 2020	Will be available Nov 22 - Dec 5, 2020	Edit Work Search
•	Report Work Search	Last week Nov 8 - 14, 2020	Not Started	Not Started	Not Submitted Due Nov 28, 2020	Start Claim
2 File	e a weekly certification	Two weeks ago			Submitted 📀	

- Provide upfront overview of required activities
- Transparency into status of each eligible week
- Clear steps to set expectations
- Questionnaire is dynamic, showing only relevant questions
- Allows claimants to review answers, including bank account information, before submitting



Operational benefits to MDOL

20% expected reduction in fact finding cases due to user errors

25% expected decrease in daily call center volume for claimants who prefer online channels¹

$\overbrace{\ }^{\nwarrow \bigcirc}_{\ }\overset{}{\longrightarrow} \qquad \text{Data gathered on most common communication}} \\ \text{documents}$



op 10 employer correspondences (total: 75)	% of total volume ¹	Volume (in thousands)	Top 10 claimant correspondences (total: 73)	% of total volume ¹	Volume (in thousands)	Process highlights
Request for separation (B1)	58%	284	Monetary determination Notice	29%	464	Diagnostic to review all system correspondence
Notice of Contribution Rate	11%	52	Seperation decision and charge notice	18%	178	Criteria to prioritize
Notice of Fact Finding - Employer	5%	25	First Payment Notice	11%	132	correspondences for further improvement
Notice of Estimated Wages	5%	22	BD-1 for PUA	8%	94	based on:
Unemployment charges (B29)	4%	19	Lack of Work Non-mon Decision	6%	93	 Total volume Importance of communication
First Notice Direct Reimbursable	4%	17	Non-mon Decision Letter	6%	64	Probability of creating
Final Notice / Demand for Payment	3%	13	B1DP-E	4%	59	confusion for constituents
E-Response Enrollment	2%	12	Notice of Fact Finding-Claimant	4%	38	
Wage Information Request (FD-4)	2%	10	Lost Wage Assurance - P1	2%	34	Prioritized correspondence were
Tax- quarterly bill	2%	8	Notice of Potential Benefits Assessment	2%	33	refined for plain language and tested with end users

Revised critical correspondence with simple, easy-to-understand language

Example: weekly certification filing instructions for claimants

After Before MAINE MAINE DEPARTMENT OF LABOR LABOR Bureau of Unemployment Compens INSTRUCTIONS FOR FILING WEEKLY CERTIFICATIONS Maine Department of Labor Bureau of Unemployment Compensation Self-Service Options for Filing Weekly Certifications IN ORDER TO COLLECT WEEKLY BENEFITS, YOU MUST FILE YOUR WEEKLY CERTIFICATION AND GENERAL INFORMATION PROVIDE YOUR WORK SEARCH INFORMATION EACH WEEK EVEN IF YOU JUST OPENED A NEW CLAIM FAILURE TO PROVIDE YOUR WORK SEARCH EFFORTS EACH WEEK MAY RESULT IN A DENIAL OF BENEFITS FOR EACH WEEK YOU DO NOT PROVIDE YOUR WORK SEARCH INFORMATION. How do I file my certification? Weekly certifications for the claim week (Sunday through Saturday) that just ended and for the prior claim week can be filed online or by Filing Online telephone. Filing online at www.maine.gov/reemployme is the fastest and most convenient way to file your claim. Further instructions for How filing can be found later in this documen Go to <u>www.maine.gov/reemployme</u> Click on the Quick Link titled "Weekly Certification" If you need to file claims for older weeks or if you do not file a weekly certification for more than two weeks, you will first need to talk with a · Log in to ReEmployME by entering your user name and password customer service representative to reopen your claim by calling 1-800-593-7660 8:00 a.m. - 12:15 p.m., Monday - Friday. If you have not created an account, click on "Claimant Signup" on the left side of the screen and create your account If you work and earn wages during the week that you are filing for unemployment benefits, you must report the earnings for the week that you · Answer all questions for the weekly certification and document your work search activities actually worked, and not when you were paid. Click "Submit" to complete Wait for the confirmation message and you're done! When can I file my certification? Filing by Telephone Certifications for a specific week can only be filed after 12:01AM the following Sunday (e.g., the week of November 1-7 will be available to Filing by Telephone requires two steps claim beginning Nov 8). 1. File your weekly certification by phone: automated phone filing system Dial 1-800-593-7660 The system is available 24 hours/day, 7 days/week: the sooner you file after the end of your claim week, the sooner you will receive you · Choose the option to "file a weekly certification" benefit payment. Enter your Personal Identification Number (PIN) (See PIN section below) Answer a series of brief questions using your telephone's keypad What else should I know? · Wait for the confirmation message and hang up. The automated phone filing system does NOT accept your To be eligible for Unemployment benefits work search record. You must be living in the State of Maine 2. You must provide your work search activities Be registered with and active on Maine's JobLink portal. To complete the weekly certification, you may go online to WWW.maine.gov/reemployme and document Register for Johl ink here: https://Johlink.maine.gov your work search activities (job contacts). If you do not have access to a computer there are computers at the CareerCenters that you may use to document your work search. You may also call the claims center and If you are filing for unemployment benefits and do not live in the State of Maine, you must be registered for work with the Job Service Agency in a customer representative will assist you in documenting your weekly employer work search contacts. the state in which you are residing. We recommend filing your weekly certification online at the same time that you file your work search Be sure to notify the Claim Center as well as the US Postal Service of any changes in address or telephone number. The post office will not online. Failure to provide a work search record may result in denial of benefits forward any mail from the Maine Department of Labor to your new address. Undeliverable mail will be returned to our central office, which will cause a delay in receiving your benefits or important claim information. Important Notes • Filing online at www.maine.gov/reemployme is the fastest and most convenient way to file your claim You are required to report your work search activities for the week as part of the certification filing process. Work search involves The automated phone filing system will ask you to respond to guestions by pressing numbers on your phone's communicating with potential employers, and contacts that can verify your work search activities must be provided during filing. Please note keypad. Don't worry if you make a mistake. You will be asked to verify each response before it moves on to that the MDOL conducts random audits to verify work search history. the next question, so you will have a chance to correct any errors. Failure to provide your work search efforts each week may result in a denial of benefits for each week you do not provide your work To save time and make the process simpler, have all information needed to file your claim ready before you call: your PIN, earnings for that week, and work search activities. · Be sure to answer each question for the actual week (Sunday through Saturday) for which you are filing your weekly certification. The system will ask you to verify the week at the start of the process. Page 1 of 6 If you have any difficulty filing your weekly certification by telephone, just call back during normal business hours (8:00 a.m. - 12:15 p.m., Monday - Friday) and a customer service representative will help you complete your clain General Information For Filing Fither Online or by Telephone:

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Modifications What we heard from users

Clear sections in the

Why they are

What they need

What they need

Improved readability

with layout and font

receiving it

to know

Removed iargon

and used plain

language

updates

to do

What the letter is

letter explaining

"I actually had the same question this week and when I saw this form I didn't need to call and ask anybody ... so having that laid out is actually nice and clear and clears up a lot of questions."

– 1st time claimant

Operational benefits to the DOL

- Reduction in call volume from both claimants and employers as communications are easier to understand
- Reduced burden on Mainers to figure out "what is needed from them" and next steps

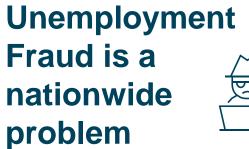
MDOL Improvement Actions





Enhanced fraud detection and remediation

- Process changes to sustain and enhance new fraud prevention practices
- ✤ Analytics-driven approaches to proactively anticipate and detect fraud



USDOL OIG estimates 10% of nationwide payments are to fraudsters¹ \$36B

problem

¹September 30, 2020 USDOL OIG Semiannual Report to Congress, page 9

What happened in Maine?



- Organized fraudsters used identities stolen through outside data breaches or other illicit means to **file imposter unemployment claims**.
- DOL immediately took action to **stop fraudulent claims**. Benefit payments were initially held in May so that claims could be reviewed. Other actions include:
 - Reinstatement of the 10-day hold for separation verifications
 - Requirement for identity verification on suspicious claims;
 67% of accounts flagged as suspicious are ultimately determined to be fraudulent
 - Development of fraud prevention task force: members include: DOL staff; USDOL OIG; U.S. Secret Service; U.S. Attorney's Office; FBI; Maine Attorney General's Office; Maine Office of the State Treasurer; Maine State Police; and, Maine IT.
 - Establishment of new fraud prevention tactics for ongoing detection

Note: The Continued Assistance Act now requires anyone receiving PUA benefits to submit ID verification documentation. DOL will notify people when it's time to submit.



New fraud prevention practices for ongoing detection



New processes	Description	Overview of process				
2-day discovery	Discovery process embeds	Conduct daily comprehensive manual review of all initial claimant				
	comprehensive and regular review of all initial claimants and formalization	Determine claimants that are likely fraud given fraud patterns				
	of new fraud patterns	Flag claimants that require additional verification				
		Discover and document new fraud patterns for future automation				
Rule creation and monitoring	Evidence-based decision making to add, amend, or remove rules,	Form hypotheses of fraud pattern for potential rule from 2-day discovery patterns and external ideas				
	including testing and monitoring rule	Test and monitor rules performance through weekly review				
	performance to improve fraud detection	Review rule performance with leadership to add, amend, or remove rules based on testing				
Knowledge sharing and gathering	Weekly touchpoints and monthly reports on fraud knowledge sharing	Hold weekly, monthly cadence of meetings with other states and partners				
	and service provider management with other states and partners	Share operational best practices				

MDOL Improvement Actions



Boosting reemployment in Maine

- ✤ Targeted programs to facilitate reemployment
- Design-led approach to improve access to reemployment services





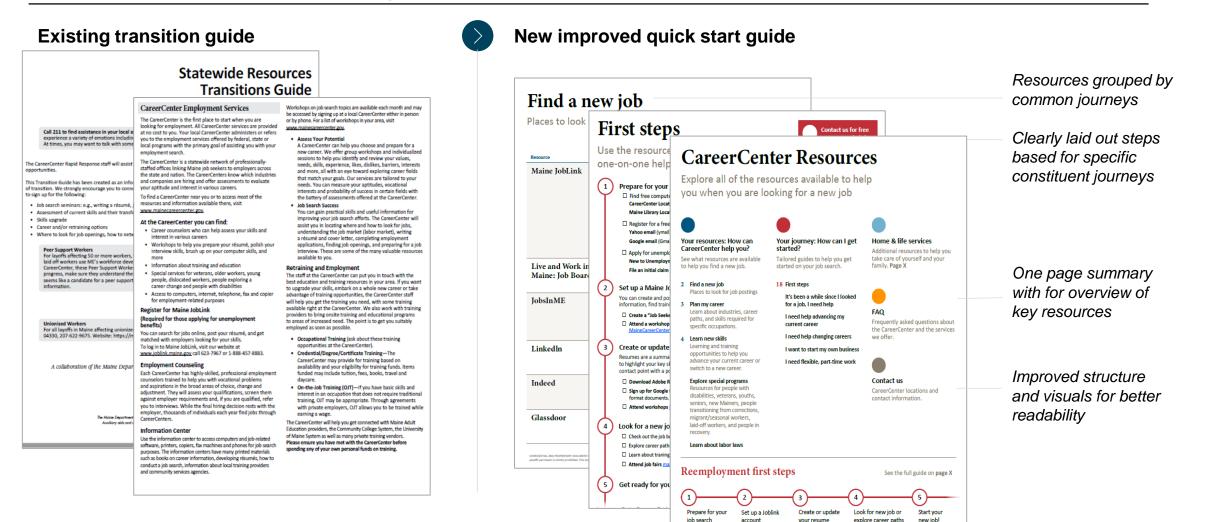


Launch of enhanced Reemployment Services and Eligibility Assessment (RESEA) program in March 2021

	Details
Services provided	Targeted career services by trained CareerCenter coaches at no cost to participants to get them back to work faster. Services, which can be virtual or in-person if necessary, include:
	 Review and recommendations on an individual reemployment plan (IRP)
	 Customized referral to jobs, job fairs, other agencies or training opportunities
	 Orientation of all relevant CareerCenter resources, local labor market information etc.
	 Unemployment compensation eligibility review including review of work search activities
Target population	Claimants selected based on information collected in unemployment application (no additional info)
000	Claimants at higher risk of exhausting their unemployment benefits are prioritized
	Initial target is to serve ~100 claimants per week and then ramp up over time
Launch readiness	Target launch date of program is March 2021
T)	To provide seamless experience to claimants , program is being integrated with current unemployment system (ReEmployMe)

\bigcirc = Design-led approach to improve access to reemployment services $\overset{\text{MAINE}}{\text{LABOR}}$

Example: CareerCenter quick start guide for users



Your support is critical to MDOL continued progress over the coming months

Focus for next 120 days:

- Continue to ensure timely payment of benefits to eligible Mainers while ensuring program integrity
- Maintain healthy backlog levels with target initial payments within 10-20 days
- Expedite fact-findings and administrative hearings
- Complete implementation of Continued Assistance Act changes and new Mixed Earners UC (MEUC) program
- Ongoing technical enhancements to improve self-service and online options and reduce need to call the 800 line
- Continue to improve service levels at call centers by increasing state staffing and ongoing training
- Enhance the reemployment/rehiring experience for job-seekers and employers
- Issue 1099-G tax documents for unemployment benefits and ensure expedient process for rectifying newly identified unemployment fraud



How we could use your support:

- Continue to provide valuable feedback based on your interactions with constituents
- Distribute newsletters and other key messages to constituents
- Support two-year extension of limited-period positions in the 2022-23 biennial budget