STATEMENT OF JENNIFER PHILLIPS
PROGRAM LEAD, NETWORK COLLABORATION, DIGITAL BENEFITS NETWORK
BEECK CENTER FOR SOCIAL IMPACT + INNOVATION
AT GEORGETOWN UNIVERSITY
BEFORE THE UNITED STATES HOUSE OF REPRESENTATIVES
WAYS AND MEANS SUBCOMMITTEE ON WORK AND WELFARE
"Unemployment Insurance Reform: Supporting American Workers and Businesses"
JUNE 4, 2024

Thank you, Chairman LaHood, Ranking Member Davis, and distinguished members of this subcommittee, for the opportunity to testify today.

I will share insights and examples about how state unemployment insurance (UI) agencies are expanding equitable access to unemployment insurance (UI). Equitable access financially helps eligible—yet disenfranchised—workers. Improved overall access and simplification can also improve UI system integrity and overall system performance.

My comments blend two perspectives. I work for the Beeck Center for Social Impact + Innovation at Georgetown University. The Beeck Center improves systems that are the foundation for daily life, using data, design, technology, and policy as instruments for equitable societal change. The Beeck Center is philanthropically funded and works as part of a diverse ecosystem of organizations improving access to benefits. Through our Digital Benefits Network anchor project, we work collaboratively with federal, state, local, tribal and territorial governments, and nonprofit, private, and research partners on best-in-class digital service delivery solutions that ensure access to public benefits, including UI. I will also be speaking from my past role working on state level UI modernization as the Assistant Deputy Director for Service Delivery at the Illinois Department of Employment Security (IDES). I will also share concrete examples from other state UI agencies across the country who are hard at work fortifying their UI systems' ability to be both accessible and securely protected from fraud.

My testimony addresses four questions:
- *Why focus on equitable access to UI?*
- *What are the barriers to equitable access that states are working to address and what are the solutions they are working on?*
- *How might increasing equitable access decrease non-fraud improper payments and improve overall UI system performance?*
- *What do states need to keep this work moving forward?*

Why Focus on Equitable Access to UI?
UI is an economic first responder program. It safeguards eligible workers from financial crises when they lose a job and helps stabilize the economy. During the pandemic, state UI agencies delivered more than $870 billion in benefits to more than 53 million workers.[i] UI has an evidence-based return on investment of between $1.55 to $2.00 of economic activity for every $1 spent.[ii] Additional research shows that UI significantly attenuates the volatility of economic fluctuations, all the way to local communities.[iii]

UI is not a means-tested program. It is an 89-year-old agreement made between the federal and state governments, employers, and workers to bridge the financial gap between jobs. Eligible workers can and should expect that it will work for them when they need it, and that they'll receive the right benefits at the right time. Michigan's mission statement says it all: UI should be fast, fair, and fraud-free.

During the pandemic, there were tsunami levels of claimants. This, combined with years of declining investment in state technology, brutally exposed foundational cracks in aging systems, exacerbating vulnerabilities. It left state systems to face a dual crisis: how to ensure eligible workers receive UI benefits while also protecting systems from fraud. This was such a problem that the Government Accountability Office or GAO designated the UI system as high risk because its administrative and program integrity challenges posed significant risks to service delivery and exposed the system to significant financial losses.[iv]

Millions of Americans found they could not access UI benefits they were eligible for when they needed them most. University of Illinois economist Eliza Forsythe's research showed that many were from historically disenfranchised groups; workers who were less educated, younger, and from racial and ethnic minorities.[v] In 2023, the unemployment rate for disabled people (7.2) was double that of non-disabled people (3.5).[vi] And the Bureau of Labor Statistics (BLS) released data in March 2023 that showed that 7 in 10 unemployed workers who had worked in the previous 12 months did not apply for UI.[vii] Fifty-five percent of those who did not apply for benefits didn't believe they were eligible. And 10 percent cited barriers to applying or problems with the application process. In June 2022, the General Accountability Office (GAO) recommended that the United States Department of Labor (USDOL) focus on inequities after finding racial disparities in UI benefit receipt in 3 of 4 states analyzed.[viii] Study after study, from the Federal Reserve Bank of Philadelphia[ix], National Bureau of Economic Research[x], The Century Foundation's Racial Equity Explorer[xi], to universities such as Barnard and Duke[xii] – all find the same thing: historically disenfranchised workers of color – especially African-American and Hispanic workers – are less likely to receive UI benefits than White workers. Ananat and Gassman-Pines' research found that racial and ethnic groups' unemployment contributes to income loss, material hardship, and mental health problems and that "UI has unrealized potential to be a force for reducing these disparities."[xiii]

To quote former USDOL Deputy Director for the Office of UI Modernization (OUIM), Michele Evermore, her in July 2023 testimony to the House Select Committee on Economic Disparity, "lack of access to UI means that every economic downturn sets communities of color back."[xiv] Research tells us that financial stability is the gateway for better child outcomes, educational success for both parents and children, and reattachment to the labor market.[xv] In Illinois, we were working to address two types of equitable access: helping eligible workers get to the proverbial UI front door and how to get through the front door.

In March of 2021, Congress responded by authorizing the American Rescue Plan Act (ARPA) which included flexible (non-resource justification model) funding for modernizing unemployment insurance systems.[xvi] The $2 billion investment that states were counting on was clawed back last year to $1 billion in the Fiscal Responsibility Act. This was a major setback to states who were planning grant proposals for UIPL 7-23 that was subsequently rescinded. These funds expressly focus on three Congressional-mandated, mutually reinforcing goals: preventing and detecting fraud, increasing benefit timeliness, and expanding equitable access to UI. USDOL has awarded $782.9 million to 52 of 53 states and territories, to help them achieve these goals (a detailed list is at the bottom of the testimony).[xvii]

Congress and USDOL knew how besieged states were and understood that without targeted, specialized UI modernization resources, state systems would not be ready for the next labor market destabilizing event. It was essential to incentivize states with ARPA funds to address problems that the pandemic exposed and to take on new ways to make unemployment insurance more secure, accessible, efficient, and responsive to the needs of workers.

These innovation-focused grants offer an unprecedented opportunity to modernize technology and improve processes that result in stronger integrity, better system-wide performance, and equitable customer experience. As a former state UI administrator, I thank you for making these funds available and want you to know that state UI leaders across the country are working to meet these federal goals.

How the ARPA UI modernization funds (Integrity, Equity, Tiger Team, UI-IT Mod) get used will shine a light on what works and what does not and will create a mosaic picture of what reforms are most needed to

continue to improve equitable access to UI, UI integrity, and overall UI performance.

Challenges to Achieving Equitable Access and State Solutions
As defined in UIPL 01-24, equitable access means that state UI agencies ensure that all eligible workers have an effective and meaningful opportunity to obtain the benefits to which they are entitled. Further, a focus on equitable access requires states to review how their processes affect different populations to ensure that a state's operations are not creating undue burdens or barriers for any particular group who would otherwise be entitled to benefits.

The federal government issued several pieces of guidance that are helping federal and state agencies address these undue burdens. Last year, the White House Office of Management and Budget (OMB) announced the Burden Reduction Initiative, which aims to reduce the administrative burdens millions of Americans face when trying to access government services or benefits.[xviii] This initiative builds upon research from the Georgetown University Better Government Lab at the McCourt School of Public Policy, which hosted a one-day conference in May 2024 on ways to measure administrative burden. It also released guidance on digital accessibility.[xix] In 2021, there were two White House executive orders: advancing racial equity[xx] and improving customer experience.[xxi]

Providing equitable access is also an important part of providing good customer service to all individuals. People expect our government services to work and we learned the hard way that was not the case during the pandemic. Applying for UI can be complicated and that can be compounded when the technology doesn't work well either. For eligible workers who belong to groups that historically face disparities accessing government programs—such as low-wage workers, Black and Hispanic/Latinx workers, individuals with disabilities, individuals with limited English proficiency, women, and individuals living in rural areas, individuals with lower digital literacy, limited digital access—it can be even harder. McKinsey research finds when a customer's experience (as a constituent, business, or another government agency) utilizing state services meets or exceeds expectations, it can boost trust in government, improve morale among civil servants, diminish negative media coverage, and lower costs for government agencies.[xxii] The simple—yet not easy task—of making the UI process clear and understandable reduces mistakes that lead to both under- and over- payments.

State-level Equitable Access Challenges + Solutions
I'd like to highlight ten key equitable access challenges and concrete examples from states.
This is not an exhaustive list and there is no shortage of exceptional examples of how states are addressing equitable access in UI. The documents listed below this section have numerous examples embedded.

1. **Plain language**
2. **Accessibility**
3. **Translation or Language-Access**
4. **Human-centered Design and Claimant-Centered Research**
5. **Digital User Experience**
6. **UI Outreach and Lack of Knowledge About Qualifying for UI benefits**
7. **Website Navigation and How to Apply for Benefits**
8. **Digital Identity Proofing**
9. **Equity Research and Data Analysis**
10. **Training for State Staff**

1. Plain Language
Virtually every UI state agency is working to make the UI experience, from start to finish, easier to understand using principles of plain language. Plain language, as defined by plainlanguage.gov, is clear, concise, well-organized, and follows other best practices appropriate to the subject or field and intended audience. OUIM created a plain language online repository to provide examples to states. The National Association for State Workforce Agencies (NASWA) has behavioral insights contractors that are working

with states such as Nebraska and Nevada on plain language and evaluating and measuring the impact.[xxiii] New Jersey's overhaul of its UI emails and corresponding research showed reductions in time to understand and the power of making information more accessible and easier to understand.[xxiv]

2. Accessibility

State UI agencies are improving accessibility in their websites, call centers, correspondence, handbooks, forms, and more for disabled individuals, as well as building accommodations into processes. Tools built into enterprise software, such as Microsoft Word and Adobe, mean that UI staff can check for document accessibility instantly. In Illinois, there was a backlog of PDF documents attached to the IDES website that were not screen-reader accessible. IDES worked to move PDF content into printable web content as a strategy for making all content accessible and also translated.

Oregon has put their UI claimant handbook on Spotify for blind claimants.

3. Language Access

Most UI state agencies are also hard at work making sure that websites, forms, digital experiences, and correspondence are available in multiple languages. California's Employment Development Department has added three new languages to its UI application, now available in the top eight languages spoken in the state.

New Jersey and Illinois worked with U.S. Digital Response to implement a English-Spanish UI Glossary. This glossary is now embedded into Illinois'' website translation technology in Weglot.

States like Washington and Illinois, among others, are working to ensure that all UI letters contain Babel notices, which is a short notice in multiple languages that is included in a document and informs the reader they can request language access services to ensure they understand.

States like Pennsylvania, Nebraska, Virginia, among others, have created explainer videos in multiple languages.

4. Human-centered Design and Claimant-Centered Research

Bolstered by the White House executive order on customer experience, USDOL has encouraged states—especially in the Tiger Team consultations and in UIPL 01-24— to use human-centered design and customer experience strategies to pinpoint pain points and develop solutions.

States are analyzing data points from claimant journeys. Illinois plans to update its UI application and online claimant portal. Before changing the technology, Illinois needed to know what pain points users experienced.

Asking claimants about their experience
Illinois attached a customer satisfaction survey at the end of its online UI application in April 2020. With USDOL help, Illinois improved the survey and began analyzing the data on a weekly basis to pinpoint claimant pain points. This process was shared on the USDOL Blog: Evaluating customer experience with survey design.[xxv]

Observational Research
Illinois also engaged in live claim filing observational research in September 2023 to better understand where claimants were getting stuck in the application and where they needed staff assistance. This research was also shared on the USDOL Blog: Improving UI benefits delivery through direct observation of UI claimants.[xxvi]

Friction or Funnel Analysis
Illinois pulled analytic data from its benefit system to look for the places where claimants abandoned either the online application or the weekly certification process. This was an attempt to find specific

places in either process that were confusing to claimants and/or where errors were occurring. This was essential to do before updating the technology for an old application.

User-testing
New Jersey has openly shared all of its user-testing on communications to claimants, including how the research was conducted.

5. Digital User Experience

The majority of UI claimants are applying, certifying, and interacting with state UI agencies in a digital environment. Prior to the pandemic, states were not conducting usability testing, but since ARPA, states have not just been conducting user acceptance testing (UAT)—which is the bare minimum to see if the system performs as expected—but actually conducting iterative user experience testing to gain insights for accessibility and incorporate user feedback.

States are modernizing applications, working to simplify questions, code in more languages, and ensure mobile-friendliness. States are also working to modernize online portals, where claimants can check the status of their claim, see benefit amounts, certify for benefits, see correspondence and key documents such as 1009G tax forms, and set up direct deposit.

States like North Carolina, DC, Massachusetts, South Carolina, and Georgia have new portals, updating technology built decades ago. At the end of May, New Jersey announced that its simplified application is fully phased-in, allowing applicants to save progress and come back later and making things easier on the back end by ensuring that applicants fill out the forms correctly. They worked with Nava, a public benefit corporation, to make sure new technology was backed with user research. As a result, there's been a 14-percent reduction in applications requiring manual review.[xxvii] New Jersey's successful modernization project will continue to serve as a model for states across the country as they continue to deploy ARPA funds and work with USDOL to upgrade their systems and processes.[xxviii]

States like New Jersey, Massachusetts, and California also have worked with Nava, on developing online claims benefit trackers. OUIM posted claim status information on its website to share this information with all states and territories.

Illinois plans to use a portion of its Equity grant and new IT Modernization grant to update its online UI application and claimant portal. The current application can be completed on a tablet or mobile device, but it is not easy for claimants and the design is prone to mistakes with dropdown menus that are hard to navigate.

6. UI Outreach and Lack of Knowledge About Qualifying for UI benefits

More than a third of the Equity grant projects are focused on outreach. Projects incorporated conducting mobile outreach, hiring navigators, working with community organizations, and doing research to better understand how to reach potential claimants and help them to understand the system. States are improving their ability to conduct customer experience and user testing research, ensuring they will be savvy technology purchasers or builders.

Seven states—Maine, New Mexico, Oklahoma, Oregon, Pennsylvania, Washington, and Wisconsin—received UI Navigator grants to conduct outreach and provide resources to those who have experienced disparate access to UI benefits and services.[xxix] For unemployed workers whose employers do not share information about unemployment insurance at time of separation, community-based organizations can play a vital role in helping them understand their eligibility and next steps.

Maine's Peer Workforce Navigator program launched in 2022 and was a partnership between five community-based organizations. Its approach mimicked strategies used by unions in helping unemployed workers applying for UI. A Century Foundation case study found that: "the combination of rapid response efforts, job fairs, and walk-in clinics at both the Career Center and Peer Workforce Navigator partners all

informed claimants of their rights in an effective way and provided support to a community that needed the intervention."[xxx]

Connecticut has an unemployed worker advocate program, which functions like state-run version of legal aid and is designed to reduce barriers to receiving benefits and help unemployed workers navigate the appeals process.

Even if you know about UI, it can be confusing to know whether to apply. Several states— California, New York and Oregon—have online estimation calculators to help applicants better understand their eligibility and an estimated benefit amount.

7. Website Navigation and How to Apply for Benefits

Michigan UIA procured the services of Civilla, a human-centered design nonprofit, to create a claimant UI roadmap with step-by-step instructions and holds claimant online help sessions multiple times a week. Michigan also has 10 regional community liaisons ready to assist unemployed workers. Illinois recently revised its website to include 10 Things You Should Know and Information Needed to File Online.

Investing in UI website navigation also has the potential to improve overall UI system performance. In Illinois, we knew that the call center volume ballooned annually in January through April with requests for 1099-G tax forms. Over the past two tax seasons, IDES worked to clarify the process to claimants on its website and through an email campaign to encourage self-service online. These simple customer experience-friendly steps resulted in a dramatic decrease in call volume.

8. Digital Identity Proofing

State agencies must balance equitable access with system integrity and fraud prevention. In May 2023, the Beeck Center released a new data set on digital authentication and identity proofing in unemployment insurance and other benefit applications.[xxxi] Key findings included that 46 of 53 state and territorial agencies require claimants to create an account before they can file an unemployment claim and that 30 agencies have identity proofing or verification processes at some point before, during or after the claim application process.

However, these technology solutions can create obstacles for legitimate claimants and also exist in a rapidly changing technology landscape. Many state systems previously relied on knowledge-based verification (KBV) questions that present users with a series of questions about their private information—including information from their credit history. KBV are not considered a secure approach to proofing identities according to the National Institute of Standards and Technology (NIST) and U.S. Government and Accountability Office (GAO), and also create obstacles for people with limited credit history. Many states pivoted to prompting users to upload identity documentation and selfies to be verified using facial recognition technologies. The use of biometric comparison can also present accessibility and equity issues for those unable to complete those processes.[xxxii] Having high confidence that someone is who they say they are can help improve access to services. Agencies can help claimants by providing clear, step-by-step information, including what documents they need to have ready to create accounts, how to complete multi-factor authentication, and verify their identity. Illinois recently revised its website to help provide the right information to create an account and reset a password.

Additionally, agencies can provide options for different pathways for identity proofing. USDOL developed a partnership with the US Postal Service and the General Services Administration for a non-digital pathway for people to prove their identity at post offices. An earlier ARPA claimant experience grant to Arkansas piloted this approach and now it is operational in nine states, including Colorado, Hawaii, Massachusetts, North Carolina, Ohio, Oklahoma, Oregon, and Utah.

9. Equity Research and Data Analysis

Several states are analyzing large data administrative sets to understand and identify equity disparities. States like Michigan and Pennsylvania have public data dashboards. Illinois is using a portion of its Equity grant to

examine equitable access differences in an unemployed worker's likelihood to file, timeliness of first payment, and exhaustion of benefits.

10. Training for State Staff

USDOL created a UI equitable access toolkit and, in partnership with the National Association of State Workforce Agencies (NASWA), a UI equity training for state employees. Implementing equitable access and customer-centric initiatives at all levels requires scores of state employees to shift mindsets and learn new ways of working. In Illinois, as part of the Equity grant, more than 33 staff from six divisions were trained in plain language. To further grow the bench of staff who understand the importance of the claimant experience, IDES developed an intranet training site for staff called Plain Language, Accessibility, and Translation for Equity (PLATE). This site contains on-demand plain language training, how-to examples for thinking about PLATE in daily workflows, and links for other resources.

Additional Sources of Equitable Access Examples

All ARPA UI modernization state-level investments work in combination to improve aspects of equitable access and user experience. The full list of those investment types is described at the end of the testimony.

USDOL Resources

USDOL issued policy guidance to states last November with UIPL 01-24, with specific explanations about how equitable access is being able to use the system without facing undue burdens or barriers.[xxxiii] This UIPL also has guidance on how to identify claimant pain points.

USDOL also established a website for the Office of UI Modernization that supports states in their modernization efforts. This site is an essential repository for states to access best-in-class information on customer experience, new technology and automation, plain language, sample code for a modernized UI application, claim status examples, and more.

USDOL published several ARPA reports on state projects to improve equitable access.

Promoting Equitable Access to Unemployment Compensation Programs

In May 2023, AIR completed an overview of state equity grant strategies for USDOL.[xxxiv] $219.3 million in Equity Grants were awarded to 46 states to focus on systematically approaching fairness in processes and eliminating barriers to access.[xxxv] States are implementing more than 160 projects addressing technology improvements and claimant communication linked to underlying equity barriers for specific populations and AIR identified seven primary equitable access topics.

Tiger Team Cohort Trends and Updates

Multiple Tiger Team states were working on equitable access recommendations centered on simplified communication/plain language, translation, online and offline accessibility, claim status updates, website content navigation and accessibility, equity and accessibility data and metrics, community engagement, and continuous improvement feedback loops.

Insights and Successes: American Rescue Plan Act Investments in Unemployment Insurance Modernization

This report shares core equitable access issues and plentiful state examples including: plain language, accessibility, translation (highlighting Montana's work to make letters easier to understand), staff-led assistance and outreach (highlighting Alabama's UI ombudsperson approach), and enhanced data reporting and analysis to understand disparities.

Building Resilience: A Plan for Transforming Unemployment Insurance

This April 2024 report responds to the GAO report that put the UI system on its High-Risk list, referenced above. It details the activities and strategies completed and those underway by USDOL. It also contains recommendations that directly address the critical challenges identified by GAO. The plan outlines seven key

action areas that, in combination, will build a resilient UI system capable of responding effectively to future economic challenges. Several of the action areas relate to improved access and experience in UI. The second action area (delivering high-quality customer service) and fifth action area (ensuring equitable access to robust benefits and services) reinforce previously highlighted challenges and solutions.

Digital Benefits Network at the Beeck Center for Social Impact + Innovation Resources

The Digital Benefits Network (DBN) at Georgetown University's Beeck Center for Social Impact + Innovation recently published two reports highlighting state-level promising practices in UI modernization, with a focus on equitable access.

In December 2023, the Beeck Center published "*Promising Practices in State Unemployment Insurance Digital Service Delivery,*" and cited examples in Oregon on language access; New Jersey on their plain language, mobile-friendly application as well as language access; Michigan on its new claimant roadmap and first-time filer coaching sessions; and Illinois on its equity-focused research.[xxxvi]

In May 2024, the Beeck Center published "*Promising Practices to Increase Equitable Access in Unemployment Insurance,*" and cited examples from Missouri on language access; Nebraska on claimant communications; Nevada on user testing for claimant communications; and Maine on outreach to claimants and partnerships with community-based organizations.[xxxvii]

The DBN offers additional original research on administrative burden in public benefit programs, including UI, and numerous resources published with other organizations on topics such as a human-centered design. The DBN manages the **Digital Benefits Hub**, which is an online, open resource library of best practices in digital service delivery containing more than 60 UI-specific resources and more than 700 resources related to excellence in digital service delivery. The Digital Benefits Hub is a partnership with the American Public Human Service Association (APHSA). The DBN also hosts the **Unemployment Insurance Technology Coordinating Coalition**. Started in the height of the pandemic, this community of practice engages states, legal advocates, labor unions, technologists, think tanks, and other nonprofits in discussing and developing solutions to UI technology problems through bi-weekly calls, annual convenings, closed-door sessions, research, and technical assistance. The Beeck Center also has a USDOL-funded partnership with National Association of State Workforce Agencies' Information Technology Service Center (NASWA ITSC) for the **USDOL Open UI Initiative** and its newly launched Technical Advisory Group (TAG). This partnership aims to create a shared framework for building modular UI systems, develop incentives to encourage innovation, and provide states greater flexibility in technology investments to achieve UI program objectives.

Ensuring Equitable Access, Mitigating Improper Payments, and Improving Overall System Performance

When services and processes are more accessible and equitable, states effectively reduce confusion and, in turn, can reduce agency-based and claimant-based errors. This may have the subsequent effect of reducing non-fraud improper payments, which are mistakes made during the process, and improving overall UI agency performance.

An Overpayment Detection and Recovery Activities report (USDOL ETA 227) is required quarterly for all state UI agencies. This report includes both fraud and non-fraud improper payments. In 2022, the leading causes for non-fraud overpayments were: Benefit Year Earnings (29%), Separation (27%), Work Search (10%), Other Eligibility Issues (10%), Other Causes (9%), Able and Available (8%), Base Period Wages (3%), and Employment Service Registration (1.5%).

In 2023, 62 percent of Illinois' total overpayments were considered non-fraud improper payments. Of the 62 percent non-fraud improper payments, 57 percent were attributable to a claimant error made somewhere along the process. Claimants are held responsible for these mistakes and often are asked to pay back overpayments, with low recoupment rates. Reporting earnings can be confusing because workers are not sure what they earned until they see their paycheck a week or two later. It is not fair to blame claimants,

especially in these non-fraud cases, for mistakes made when applications, identity and income verification, technology, correspondence, call centers, and other processes are hard to decipher and understand.

Investing in making UI more equitable and accessible may have an immediate effect on unemployed workers and the communities they live in, and it also has the potential for a substantial return on investment if states can prevent costly errors that lead to improper payments before they occur. When states continuously improve their integrity efforts to identify how and where improper payments may be occurring, along with how to prevent them, states may find equitable access improvement opportunities that also improve program integrity.

For instance, if we know that benefit year earning, separation, and work search are among the most common problems, what would the savings amount to if there were a five- or 10-percent reduction in those improper payments if claimants made fewer mistakes? Small percentage changes add up to millions of dollars in Illinois and even more nationwide. States could start with any of the other non-fraud overpayment errors by examining the administrative burden or difficulty that may arise as a result of a poorly worded application, process, form or request for information. Saving taxpayer dollars is something everyone can rally around. Improving equitable access not only helps eligible workers secure UI benefits and find their financial footing while they look for that next job, it also strengthens the integrity and performance of state UI systems.

What States Need to Continue Making Progress
All of the work states are doing with the ARPA UI Modernization investments will point to what is working and what is not. It will provide a roadmap of the UI reforms that are most needed to improve customer experience and equitable access. I urge this Committee and Congress to pay close attention to the states' experiences with these grants.

Increased Administrative Funding for Equitable Access Work
Many of the state examples shared would have been possible without the ARPA UI Modernization funding. And I am deeply concerned about whether states have the capacity to continue funding these efforts under the current administrative funding scenarios. There needs to be a financing mechanism to continue this work, whether that is changes to UI administrative funding or additional federal support.

Leadership
UI agency executives must be committed to improving access with dedicated strategic plans for improving equitable access and customer experience. As referenced in UIPL 01-24 on equitable access, this must be more than an agency equal opportunity officer. UI modernization is a change management endeavor and requires bold leadership to drive the policy, systems, and culture change required to deliver systems that work for claimants and employers.

Focus on the Data
You cannot change what you cannot measure. Some state UI agencies are focused on collecting data on equity and customer experience, and some are making that data publicly available. This is imperative to pinpointing where access inequities exist and developing solutions. ARPA funds allowed states to expand what data they were collecting and analyzing and how to make better decisions about technology or process changes as a result. Demographic gaps in the state data exist that could be improved, such as selecting multiple races and the addition of new racial or ethnic categories, like Middle Eastern/North African.[xxxviii]

More Time and Greater Flexibility
States might need more time to spend these grants and more flexibility. In Illinois, we were working as hard and fast as we possibly could. The pandemic backlogs and related pandemic audits have consumed state agencies' time and attention.[xxxix] It is hard to take on new initiatives while digging out from past issues, and organizational change is a marathon not a sprint. In Illinois we found that the ARPA grants were all quite interrelated, including for various procurements. Procurement also presents its own set of challenges to scope, contract, and spend technology and process improvement funding. I have no doubt that state UI

leaders are excellent stewards of these federal resources, but the full set of possible changes may not happen within the bounds of these grants. Be patient with states and listen to their concerns.

Guidance on Staffing
Illinois and other states do not have customer experience units or procurement staff with deep expertise in designing, building, and buying technology solutions. States that do have those resources are starting to share their organizational charts, job descriptions, and strategies with other states. USDOL OUIM offered expert staff to states in the fall of 2022. Illinois raised its hand and for nearly a year, we had weekly access to a team of technologists and customer experience experts. It was akin to having another unit in our agency and coaching accelerated the modernization process. Working with this team created the pathway to develop the strategic customer experience roadmap that was outlined in Illinois' UIPL 11-23 IT modernization proposal.

Peer-to-Peer Connections
USDOL and organizations like NAWSA and the Beeck Center are helping states connect to learn from each other. Regional USDOL offices lead monthly Equity and Tiger Team calls where states can share updates and ask each other questions. The Beeck Center has planned a series of customer experience how-to webinars for later this summer, sharing examples from leading states for states that are just getting started.

Conclusion
States have pivoted from the crush of the pandemic to pioneering and implementing innovative solutions to increase equitable access to UI, which when done right increases integrity. My written testimony has more than 25 examples of state ingenuity that improve access and drive down improper payments. To keep this momentum, states need flexibility and continued funding. They need ways to accelerate the work by collaborating. And organizations like the Beeck Center and others, supported by private philanthropy, help convene, connect, and catalyze this change. To effectively tackle the toughest UI modernization challenges, we need to collaborate across sectors to create even greater public value.[xl] States need Congress to champion additional technology modernization and customer experience improvements to restore faith that when an eligible American worker loses their job, UI will work for them. Fast, fair, and fraud-free.

Appendix: Types of ARPA UI Modernization Investments
UDSOL has awarded $782.9 million to 52 of 53 state, territorial, and tribal jurisdictions to help them achieve these goals.

1) **Fraud and Integrity Grants**, first made available in 2021, which provided $133.9 million to 50 state-level programs and in 2023, providing an additional $93 million in integrity grants.
2) **Equity Grants**, $219.3 million was awarded to 46 state-level programs.
3) **Tiger Team Grants** available in 2021, provided under which $37.8 million was awarded to 36 states, followed by $75.6 million made available in 2023. These grants offered states multi-disciplinary Tiger Teams that were tasked with discovering and diagnosing the causes of pandemic-era failures in state UI systems and then provided funding for recommended solutions.
4) **IT Modernization Grants**, made available in 2023, providing $204.2 million for 19 states to implement their IT modernization plans.
5) **Navigator Grants**, $18 million to seven state agencies to work with community-based organizations (CBOs) on outreach to potential UI claimants.
6) **Claimant Experience Grants**, $1.05 million to three states. These grants helped create the groundwork for New Jersey's new UI application and Arkansas piloting a partnership with USPS for identity proofing.

All references are hyperlinked. Separate endnote references are available upon request.

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