



**Written Testimony of Secretary W. Gerard Oleksiak
Department of Labor & Industry
Before House Labor & Industry Committee
October 20, 2020**

Good morning, Chairman Cox, Chairman Harkins, and members of the Labor & Industry Committee. My appearance before you today marks the fourth time that I have testified before this committee since March 2020 and I appreciate the opportunity to provide another update to you on the significant progress that the Department of Labor & Industry (L&I) has made to provide critical unemployment benefits to Pennsylvanians during this global pandemic.

Let me begin with some numbers that reflect both the efforts of our staff and the impact they have had since the beginning of COVID-19 mitigation efforts in mid-March. To date:

- We have disbursed over \$29.5 billion in total unemployment compensation benefits.
- 97% of claimants who filed for regular unemployment compensation between March 15 and September 12 were either found eligible and paid or deemed ineligible for benefits. The remaining 3%, about 53,000 cases, are pending resolution, mostly because of fraud concerns or unresolved eligibility questions.
- We have nearly 2,000 individuals supporting the UC Service Centers, including from an external call center agency, representing a 158% increase from March 15 when the staffing level was 775.
- UC staff have worked nearly 360,000 hours of overtime, in the evenings, on weekends, and straight through holidays.
- We have answered over 626,000 phone calls, 1,293,000 emails, and 168,000 chats from UC customers.
- We have responded to over 43,900 legislative requests throughout the aged claims process. Our staff have completed over 3,300 out of about 13,900 in the latest round.

The truth is in those numbers, but as I have repeatedly said, they mean nothing if you are an eligible claimant anxiously awaiting your benefits. We remain committed to making sure every single eligible claimant gets the benefits they deserve. This is why we continue to make improvements to our processes, expand our resources, and enhance our IT capabilities. Allow me to share some specific examples of adjustments and improvements that are helping L&I meet the sustained high demand for benefits.

Historically, staffing shortages have been a chronic issue for UC, even in “good” times. However, to meet the unprecedented demand of this pandemic, we have taken equally unprecedented action to respond to urgent staffing needs. In seven months, we have

increased our UC staffing levels from 775 to nearly 2,000 today. For the first time ever, we worked with a vendor to provide call center support for our UC phone lines. Additionally, as some of you know, one of the biggest and most persistent bottlenecks in our processes stems from the lack of examiners we have on hand to issue determinations. Before examiners can issue determinations, they must gather all the relevant information from employers and claimants, which can be a laborious process. As such, we recently contracted out much of the information-gathering work to an experienced external vendor who will provide all the necessary documentation so that examiners can focus on quickly reviewing cases and issuing determinations. Allow me to extend our deepest thanks to our labor partners who we engaged with before we pursued this solution. Further, we have been able to accelerate the return of staff to the UC Service Center offices by installing plexiglass barriers to enforce better social distancing and enhance safety measures. Finally, we await the results of an independent study to determine appropriate staffing levels in the future and are in regular communication with the Governor's Budget Office about options for expanding staff levels long-term.

Second, we are making targeted IT investments to improve existing operations and customer service levels. Our partnership with Google AI in training voice and chat bots has streamlined communication between staff and claimants and helped push the most complex and challenging claims to our staff. Those bots can answer more than 450 frequently asked questions we receive from claimants and we continue to improve their responsiveness. In fact, since the beginning of implementation, our voice and chat bots have achieved a success rate of nearly 95% in responding to over 434,600 total interactions with claimants.

In addition to these software upgrades, we're making critical investments in hardware. Due to the pandemic, many UC Service Center staff were working with personal laptops using a secure but unstable VDI connection since March. This resulted in persistent IT performance and connection issues. We are deploying nearly 500 new commonwealth-issued laptops, monitors, and keyboards to UC Service Center staff, which will dramatically increase the speed with which they are able to process claims. Staff will now be able to work from two screens instead of one small one and log into work using a VPN which will provide a faster, more consistent connection. We have also doubled the internet bandwidth in each of our six UC Service Centers to eliminate platform performance issues during periods of high claim volume.

Third, we are introducing an emergency regulation to extend the period during which claimants can "backdate" a claim from 6 to 52 weeks because of the pandemic-related delays in claims processing. This regulation will get more claimants the money they deserve faster while reducing the time-intensive fact-finding required of staff for investigating claims backdated by more than six weeks.

Finally, as you all know, Pennsylvania is one of many states fighting a nationwide surge of fraudulent PUA claims filed using stolen identities. Recently, we began working with a federally certified identity verification provider, ID.me, to provide additional identity

verification to ensure that PUA payments to legitimate claimants are issued more quickly while at the same time fulfilling our fiduciary responsibility to the public to prevent fraud. We are rolling out ID.me in a phased approach. This supplements the front-end fraud detection program we have implemented with our primary PUA vendor.

These are just a few examples of the innovative work that is taking place at L&I today thanks to our hardworking public servants. I want to take a moment to recognize their incredible sacrifices, hard work, and determination. Without them – their talents, commitment, and can-do attitude – I can say definitively that we would be in dire straits. Many of them have not taken a single day off since the beginning of this pandemic outside of a few holidays. They do this work diligently, day in and day out, not for recognition but because they understand how critical our agency's services are to everyday Pennsylvanians during this pandemic. As their Secretary, I could not be more impressed and more proud of their efforts. They have my deepest admiration and I believe they have yours, too.

Thank you for the opportunity to speak to you today. I, along with Executive Deputy Secretary Bob O'Brien and UC Deputy Secretary Bill Trusky, will be happy to take your questions at this time.