



SPECIAL EXAMINATION • REPORT NUMBER 21-15 • FEBRUARY 2022

GDOL's Unemployment Insurance Pandemic Response

Many factors contributed to payment delays

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Why we did this review

The House and Senate Appropriations Committees requested an evaluation of the unemployment insurance (UI) benefits administered by the Georgia Department of Labor (GDOL). The committees were specifically interested in the timeliness of benefits during the COVID-19 pandemic, as well as staff hiring and training.

Based on the request, we evaluated how long it took GDOL to process claims and respond to claimant contacts, whether GDOL took reasonable steps to adjust staffing, whether technology challenges impacted timeliness, and whether claimants had access to clear and sufficient GDOL communication.

About Unemployment Insurance

Unemployment insurance provides payments to eligible individuals who become unemployed through no fault of their own. The program is administered by GDOL and overseen by the U.S. Department of Labor.

In fiscal year 2021—the first full year of the pandemic—GDOL paid approximately \$14.6 billion in benefits. This represented a significant increase from the \$302.3 million in fiscal year 2019. Most benefits were associated with federally funded programs (approximately \$12 billion), though regular state UI benefits also increased—from nearly \$300 million in 2019 to \$2.7 billion in 2021. In 2021, these benefits were funded by employer taxes and federal dollars.

Unemployment Insurance Pandemic Response

Many factors contributed to payment delays

What we found

During the COVID-19 pandemic, claims for unemployment insurance (UI) benefits increased significantly, and many claimants experienced lengthy delays in receiving payments. The unprecedented volume of claims made delays inevitable, but the Georgia Department of Labor's (GDOL) claims management and customer service systems were also factors. GDOL should continue planned improvements to both.

Many claimants experienced significant delays in their UI benefit payments.

Georgia UI claimants experienced significant delays during the pandemic. Half of UI payments were made in less than three weeks of the first week the claimant was eligible for benefits; however, approximately 37,400 initial payments were made more than 120 days after initial eligibility.

Claimants nationwide experienced payment delays due to the unprecedented increase in UI claims. During the pandemic, Georgia's new initial claims spiked to approximately 716,000 within two months and remained elevated for more than a year. By contrast, claims rose gradually during the Great Recession to a high of 76,000 over 14 months.

Delays were driven by several underlying causes.

GDOL could not provide reliable data that would allow an evaluation of all factors contributing to processing and payment delays. However, our review identified several underlying issues, as described below.

- **Limited Automation of Claims** – GDOL's process for determining eligibility and communicating with claimants requires significant staff involvement. In the years before the pandemic, the number of staff devoted to UI benefits decreased by 32%, so fewer employees were available to address the claim surge. GDOL increased UI hours by diverting staff, encouraging overtime, and hiring contractors and retirees. However, departures hindered efforts to increase staff numbers.
- **New Federal Programs** – Several new programs were created to expand payment eligibility, which required GDOL

to create policies, train staff, and update IT systems. One prominent program—the Pandemic Unemployment Assistance program—was particularly difficult to implement because it applied to those not typically eligible for UI (e.g., self-employed).

- **Risk of Fraud** – UI fraud increased significantly during the pandemic. According to GDOL, the controls to prevent fraud also catch unintended mistakes (e.g., incorrect Social Security Number), causing delays in legitimate claims.
- **Claimant and Employer Errors** – The claim surge included many first-time filers who were unfamiliar with UI, and errors were more likely because key communications were unclear and claimants could not reach GDOL for assistance. Additionally, while GDOL’s requirement for employers to file claims reduced processing times, delays occurred when employers failed to timely certify unemployment.

GDOL was unable to adequately respond to claimants’ customer service needs.

Claimant inquiries to GDOL increased significantly during the pandemic, and many claimants’ attempts were unsuccessful. For example, call volume in March 2020 (635,000) was six times higher than the prior month and further increased to more than nine million in April and May. However, only 4% of calls were answered; most were not connected due to limited phone system capacity. Data limitations prevented us from analyzing additional call performance and from analyzing responsiveness to emails or web inquiries, which also increased significantly.

Many calls and inquiries were directed to staff in the career centers and other GDOL divisions, who also assisted with processing claims. In April 2021, GDOL expanded its dedicated customer service unit to 16 staff, who exclusively answer calls. While GDOL hired contract personnel to assist with various aspects of the claims process, it contends that contract personnel would not have the experience required to respond directly to claimants.

GDOL needs better data to manage the UI program, particularly when claims increase.

GDOL has significant information in its claims management system but does not produce sufficient reporting to help evaluate performance, identify areas for improvement, or set priorities. We found that the agency is not able to produce timely, reliable reports from the system.

Additionally, GDOL does not have sufficient information to manage customer service operations. For example, it lacks information about call volume or typical metrics, such as answer rate. GDOL also has no system to track and ensure that claimant emails and voicemails are addressed. Instead, staff must review notes in the claims management system to determine whether a claimant has been contacted. In some cases, this resulted in follow-ups from multiple staff, while other claimants received no response.

What we recommend

In addition to the information provided, we recommend GDOL collect additional, reliable information to manage the UI program, particularly related to customer service. We also recommend GDOL increase automation of its claims processing and improve its claimant communications regarding status and document submission. We recommend GDOL incorporate lessons learned from the pandemic into a formal recession plan to prepare for future increases in claim volume. See **Appendix A** for a detailed list of recommendations.

Agency Response: GDOL stated that timeliness delays largely resulted from unprecedented claim volume, new programs, and limited funding but disagreed that limited automation was a factor. Regarding customer service, GDOL is using federal funding for a new customer service system. GDOL agreed that additional information would assist UI management and said it is currently upgrading its information and reporting systems. GDOL’s response included additional details and several points of disagreement. These are included throughout the report, along with auditor responses.

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Purpose of the Special Examination

This review of the administration of Unemployment Insurance (UI) by the Georgia Department of Labor (GDOL) during the COVID-19 pandemic was conducted at the request of the House and Senate Appropriations Committees. Our review focuses on the following questions:

- How long did GDOL take to process claims for each UI program?
- Did GDOL take reasonable steps to adjust staffing and training in response to the high volume of UI claims during the pandemic?
- Did technological challenges impact GDOL's timeliness of claims processing?
- Did claimants have access to clear and sufficient communications from GDOL?
- Did GDOL respond to contacts from claimants in a timely manner?

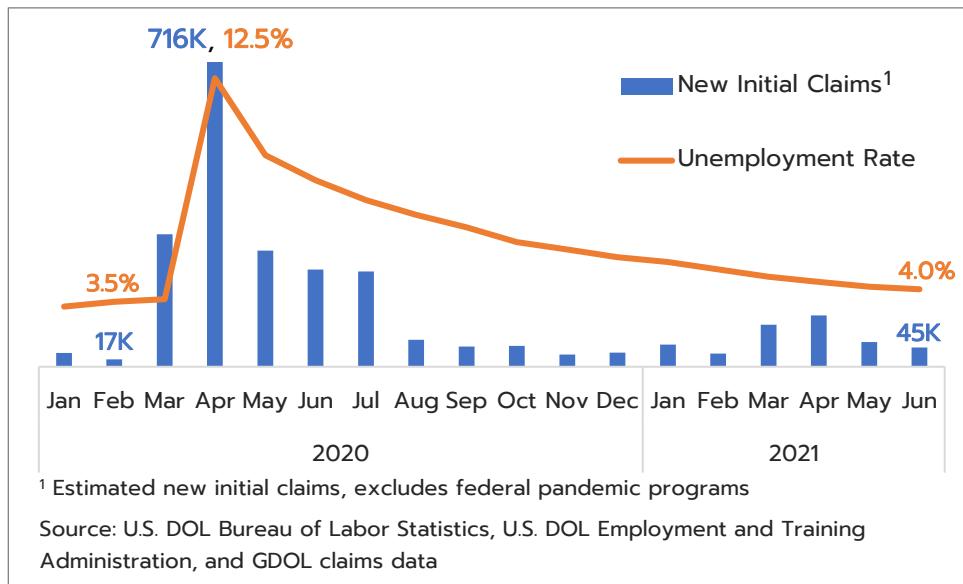
A description of the objectives, scope, and methodology used in this review is included in **Appendix B**. A draft of the report was provided to GDOL for its review, and pertinent responses were incorporated into the report.

Background

COVID-19 Impact on Unemployment

In early 2020, the COVID-19 pandemic significantly impacted unemployment across the U.S. and in Georgia. The governor declared a statewide public health state of emergency on March 14, and public schools were closed on March 16. Some types of businesses were temporarily closed or capacity limited. On April 2, a statewide shelter-in-place was issued that limited large gatherings and closed non-essential businesses.

As shown in **Exhibit 1**, unemployment increased substantially and rapidly; by April, Georgia's statewide unemployment rate—as reported by the U.S. Department of Labor (U.S. DOL)—rose to 12.5%, more than three times February's unemployment rate of 3.5%. The rate quickly declined from its peak but remained higher than the pre-pandemic rate for 17 consecutive months.

Exhibit 1**Statewide Unemployment Increased Sharply During the Pandemic, January 2020 - June 2021****Unemployment Insurance**

Unemployment insurance (UI) helps address economic insecurity by providing payments to eligible individuals who become unemployed through no fault of their own. The Social Security Act of 1935 first established UI in the United States, and Georgia's state program was enacted by the Employment Security Law of 1937.

UI is a joint state and federal program administered at the state level by the Georgia Department of Labor (GDOL). The U.S. DOL provides oversight by issuing operational guidance, establishing program standards, and conducting audits. It also provides grants to states to assist with UI program administration. State law establishes parameters for the state UI program, such as benefit amounts and maximum weeks. However, during periods of economic recession, the federal government has supplemented state UI with temporary programs that extend and increase benefit payments.

In addition to the existing state UI program, GDOL began administering multiple temporary federal programs created to combat the economic effects of the COVID pandemic. Georgia discontinued the temporary federal programs in June 2021.

Georgia's UI Provisions

To be eligible for Georgia state UI benefits, a claimant must be a legal U.S. resident who:

- Became unemployed due to no fault of their own;

Claimant – An individual seeking unemployment benefits

- Earned sufficient wages within the last four or five quarters of employment;
- Received wages from an eligible employer that pays UI payroll taxes; and
- Worked or earned wages in Georgia for the past two years.¹

In Georgia, weekly benefit amounts for regular (state) UI range from \$55 to \$365, based on the claimant's wages received during their last four or five quarters of employment. Benefits generally last up to 14 weeks but are extended to up to 26 weeks during periods of high unemployment.

To continue receiving benefits, claimants must comply with certain requirements. They must report earnings to GDOL, be available for and actively search for work, and register for work with [EmployGeorgia.com](https://employgeorgia.com). Claimants can work less than full-time while receiving benefits. However, benefits are reduced if they earn more than a set amount per week. During the pandemic, GDOL suspended or altered some provisions.

Georgia's UI Claims Process

Most UI claims are filed by claimants, though employers can file on a claimant's behalf in limited circumstances. Regardless of the filer, GDOL must determine whether the claimant is eligible prior to paying benefits. Each week, claimants (or employers in some cases) must certify that they still meet eligibility requirements.

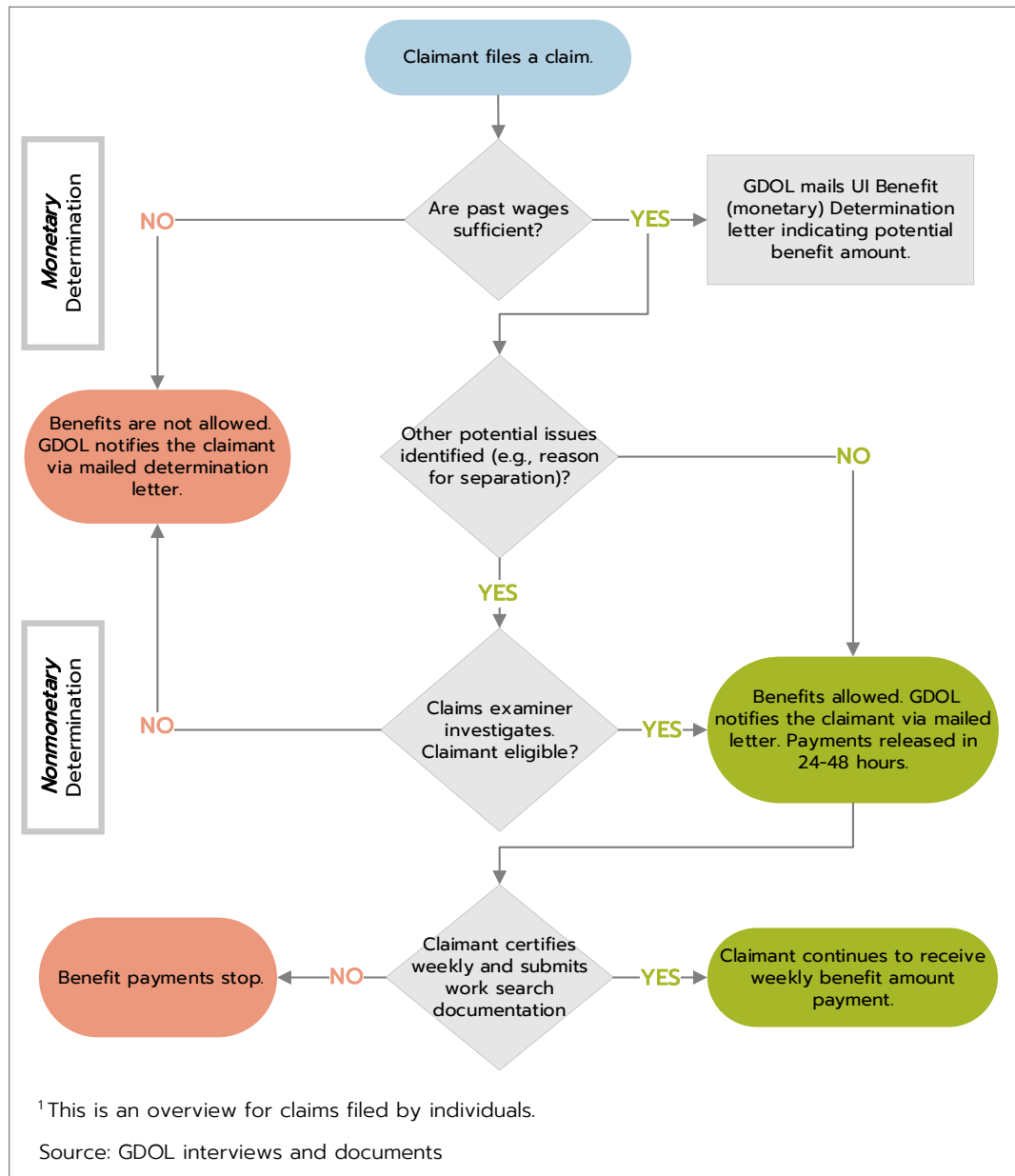
GDOL officials indicated that before the pandemic claimants typically received a benefit payment about three weeks after the initial filing, but the time frame was shorter when the employer filed. The U.S. DOL has a timeliness standard that 87% of initial payments be made within that 21-day period.

Individual Claims

GDOL conducts two separate reviews to determine a claimant's initial eligibility, as shown in **Exhibit 2**. The monetary determination assesses whether the claimant has enough wages to qualify for benefits, while the nonmonetary determination assesses whether the claimant meets other eligibility requirements, such as being unemployed through no fault of their own. Claimants apply for benefits by filing an initial claim online, by phone, or in person at a local career center.

¹ Georgia residents who have only worked in another state must file UI claims in the state where they earned wages.

Exhibit 2

Regular State UI Claims Process Typically Requires Two Determinations Prior to Payment (Claimant Filings)¹

- Monetary Determination** – A UI service specialist reviews each claim to determine whether the claimant had sufficient wages to qualify for benefits and to identify other potential eligibility issues. Following initial review, GDOL mails the claimant a monetary determination letter, known as the UI Benefits Determination letter, which shows the claimant's potential weekly benefit amount and the maximum number of weeks benefits can be received. The letter does not state whether the claimant has received final approval for benefits. If eligibility issues are found during the initial review, the specialist schedules a claims examiner review (nonmonetary determination).

Lack of work – A decrease in workload that leads to a reduced staffing level

The specialist may also contact the claimant for missing information or to address discrepancies in the application. The specialist also sends the claimant's most recent employer a fact-finding questionnaire, which must be returned within 10 days.

- **Nonmonetary Determination** – After monetary review, a claims examiner conducts a nonmonetary determination if GDOL cannot verify separation is due to lack of work or if there are other eligibility issues (e.g., a severance package from the most recent employer, the claimant's unwillingness to accept a job similar to their prior job). The claims examiner reviews documentation, such as the employer's completed questionnaire, and may call the claimant or employer for more information. The claims examiner issues nonmonetary determination letters that communicate the eligibility decision for each issue reviewed. If benefits are allowed, payments should be released 24 to 48 hours after the final determination is mailed.

To continue receiving benefit payments, claimants must certify eligibility weekly. After issuing the monetary determination letter, GDOL notifies the claimant to begin weekly certifications online or by phone. Claimants must certify for at least one week before a claims examiner will conduct a nonmonetary determination. During the certification, claimants attest that they have not refused suitable work and report any wages earned. Claimants must also submit a form to confirm they are available for and are actively searching for work. During the pandemic, the work search requirement was waived, but the weekly certification was required.

Employer-Filed Claims

Employers may file the claim and certify weekly on the claimant's behalf if the claimant becomes partially unemployed (reduced hours or temporary layoff due to lack of work). GDOL reported employer-filed claims generally require less staff review because the employer has confirmed lack of work as the reason for the claim. GDOL staff only need to ensure the employee has sufficient wages to qualify for benefits. Partial unemployment benefits typically last up to six weeks for a temporary layoff (the limit was extended during the pandemic). After the six weeks, employers can convert the claim to an individual claim (discussed above), and the employee is considered permanently laid off.

Beginning in March 2020, GDOL required employers to file partial unemployment claims on behalf of their employees to speed claims processing.

Appeals

Claimants or employers not satisfied with GDOL's determination can appeal within 15 days of either determination. Appeals must be submitted in writing online; by email, fax, or mail; or in person. There are three levels of appeals:

- **Administrative Hearing Officer** – The first appeal is heard by one or more GDOL administrative hearing officers. The officer considers testimony and evidence presented by each party. Hearings are

generally held over the phone but may be conducted in person. After the hearing, the officer mails the claimant and employer the decision that affirms, reverses, or modifies the original determination.

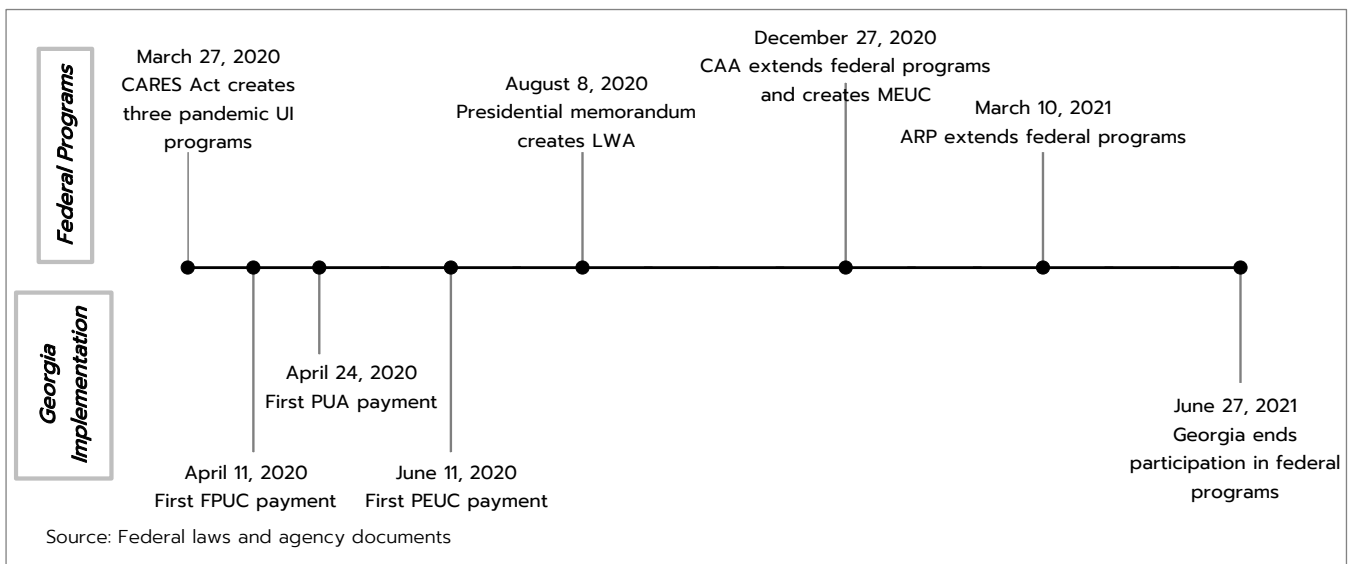
- **Board of Review** – Either party can appeal the hearing officer's decision to GDOL's board of review within 15 days of the decision notice. The board consists of three governor-appointed panel members. The board issues decisions based solely on evidence from the initial appeals hearing, but it may agree to hear oral arguments.
- **Judicial Appeal** – Once all other appeals have been exhausted, either party can file a petition for judicial review by the superior court in the county where they were employed.

COVID-19 Federal UI Programs

Federal legislation and executive orders created new programs and benefits to help mitigate the pandemic's economic impact. As shown in **Exhibit 3**, multiple programs were created or extended by law or a presidential order between March 2020 and March 2021.² The Coronavirus Aid, Relief, and Economic Security (CARES) Act created UI benefit programs (see **Exhibit 4**). In August 2020, a presidential memorandum authorized a temporary supplement program to replace one that had expired. The Continued Assistance Act (CAA) extended all original federal programs for three months and created Mixed Earner Unemployment Compensation (MEUC). Finally, the American Rescue Plan Act (ARP) extended all federal pandemic programs from March 2021 until September 6, 2021. Georgia ended its participation in federal UI programs on June 27, 2021.

Exhibit 3

Timeline of Federal Programs and Georgia Implementation, March 2020 - June 2021



² The high unemployment rate also triggered the State Extended Benefits (SEB) program, an existing federal-state program activated in periods of high unemployment. The program provided an additional 13-20 weeks of UI benefits between weeks ending July 4, 2020, to February 6, 2021. Eligible claimants were moved to SEB after exhausting regular (state) UI and federal PEUC. During the pandemic, SEB was fully funded by the federal government.

As shown in **Exhibit 4**, the programs created by the federal legislation and presidential memorandum served three purposes. Pandemic Unemployment Assistance (PUA) was a base benefit payment for individuals who do not typically qualify for regular state UI, such as contract and gig workers. Other programs extended the state UI for additional weeks or added a weekly supplement as long as the claimant was eligible for the base benefit program.

Exhibit 4

Federal Actions Created Temporary Pandemic Assistance UI Programs

Benefit Type	Eligibility	Process	Weekly Benefit	Maximum # of Weeks
CARES Act (extended by CAA & ARP)				
Pandemic Unemployment Assistance (PUA)¹	Individuals who did not otherwise qualify for state UI (i.e., self-employed; gig workers; 1099 independent contractors)	Claimants first submitted an initial claim. After denial for regular state UI, they were emailed a link to apply for PUA benefits.	Base benefit of \$149 - \$365	79 weeks ² Ended June 27, 2021
Pandemic Emergency Unemployment Compensation (PEUC)	Individuals who qualified but were not currently eligible for regular state UI and who had exhausted benefits	Claimants were transferred into PEUC automatically after exhausting regular UI benefit weeks. In some cases, claimants had to file a new claim.	Extension of Regular UI claim amount	24 weeks added to regular UI benefit period Ended June 27, 2021
Federal Pandemic Unemployment Compensation (FPUC)	Individuals who received any type of UI benefits	FPUC payments were automatically added to all UI benefit payments.	Supplement of \$300 ³	As long as UI benefits are received ³ Ended June 27, 2021
Presidential Memorandum				
Lost Wages Assistance (LWA)	Individuals who received at least \$100 in weekly UI benefits	Claimants attested to the reason for their unemployment through the My UI portal. ⁴	Supplement of \$300	6 weeks Ended Sept. 5, 2020
Continued Assistance Act (extended by ARP)				
Mixed Earner Unemployment Compensation (MEUC)	Same as regular UI if claimant also earned self-employment income (PUA recipients ineligible)	Claimants filed on the My UI portal	Supplement of \$100	Ended June 27, 2021 ⁵
¹ Although claimants could receive PUA and FPUC payments at the same time, they could not receive PUA payments at the same time as regular UI, PEUC, or MEUC payments. ² The CARES Act set the PUA maximum benefit period at 39 weeks; the Continued Assistance Act extended the maximum benefit to 50 weeks, and the American Rescue Plan Act further extended it to 79 weeks. ³ The FPUC weekly benefit amount was initially \$600 from April to July 2020 when the program expired. In January 2021, CAA reinstated FPUC and lowered the weekly benefit amount to \$300. ⁴ Claimants receiving PUA benefits did not need to attest to their reason for unemployment. ⁵ MEUC was implemented October 29, 2021, and eligible claimants were paid retroactively for weeks ending January 2 through June 26, 2021. Source: Federal laws and agency documents				

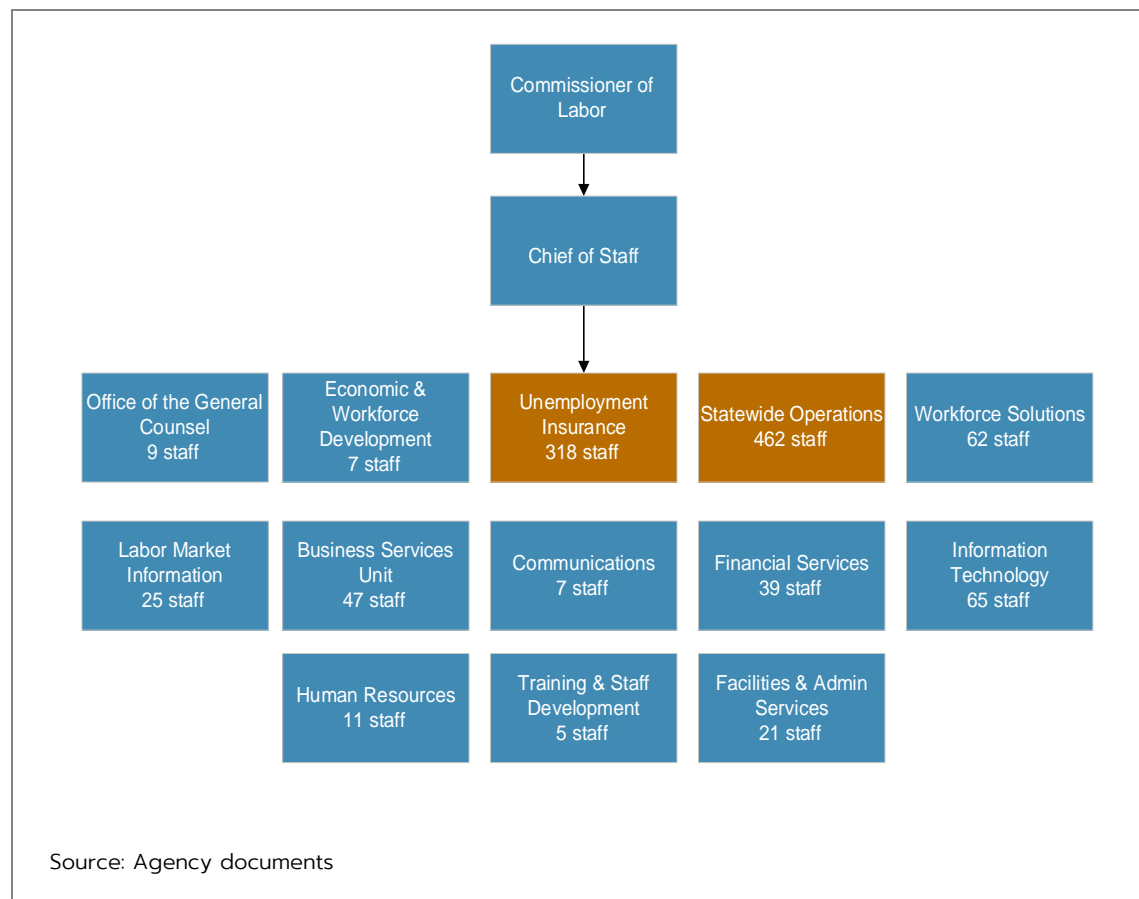
GDOL Staffing

Under the direction of the Commissioner of Labor, GDOL administers the UI program and also works to reduce and prevent unemployment. Through job training and placement, GDOL assists those seeking employment, as well as employers needing qualified workers.

As shown in **Exhibit 5**, GDOL employed 1,080 staff across 13 divisions,³ with staff in two divisions working on UI in June 2021. The UI division had 318 employees (29% of total staff) who process claims, collect employer taxes, and provide customer service to claimants and employers. The largest division, Statewide Operations, had 462 employees (43% of total staff), across 41 career centers throughout the state (see **Appendix C** for a map of career centers). Career center staff provide re-employment services, including services for veterans, and process UI claims. GDOL indicated Statewide Operations staff worked almost exclusively on UI claims during the pandemic. Across the two divisions, there are approximately 375 service specialists, 65 claims examiners, and 30 administrative hearing officers.

Exhibit 5

GDOL Employed 1,081 Staff Across 13 Divisions in June 2021



³ Approximately 40 of the 1,080 staff are part-time.

Financials

As claims increased during the pandemic, the cost of UI administration increased as well. As shown in **Exhibit 6**, UI administration costs grew from \$48.6 million in fiscal year 2019 to \$111.9 million in fiscal year 2021, an increase of 130%. Personal services—which represent the majority of costs each year—increased by nearly 110%. The largest percentage increases were computer charges (due to software and equipment purchases) and contracts (primarily for temporary staffing). These amounts are not limited to the UI Program as identified in the Appropriations Act. They are associated with UI-related projects supported by other programs (e.g., administration program contains IT.)

Exhibit 6

UI Expenditures Increased Significantly During the Pandemic, FY 2019 - FY 2021

Administration of UI ¹				
Expenditures	FY 2019	FY 2020	FY 2021	Change FY19-21
Personal Services	\$34,833,097	\$44,010,442	\$72,205,557	107%
Regular Operating	\$4,997,679	\$5,635,931	\$16,482,967	230%
Contracts	\$3,432,347	\$4,399,945	\$14,016,194	308%
Real Estate Rentals	\$2,405,205	\$2,341,094	\$3,004,019	25%
Telecommunications	\$1,046,326	\$769,098	\$1,246,952	19%
Computer Charges	\$810,688	\$1,456,514	\$4,509,988	456%
Equipment	\$391,299	\$169,399	\$466,846	19%
Transfers	<u>\$713,840</u>	<u>\$0</u>	<u>\$0</u>	N/A
Total Expenditures	\$48,630,481	\$58,773,422	\$111,932,523	130%
Revenue²				
State Funds	\$8,325,897	\$5,108,923	\$4,996,338	-40%
Federal Funds	\$39,726,119	\$50,732,149	\$109,315,274	175%
Other Funds	<u>\$24</u>	<u>\$1,557,209</u>	<u>\$28</u>	14%
Total Revenue	\$48,052,040	\$57,398,281	\$114,311,639	138%
Benefits				
	FY 2019	FY 2020	FY 2021	% of FY 21
State UI Benefits ³	\$296,786,513	\$2,030,576,394	\$2,700,746,403	18%
Federal Benefits ⁴	<u>\$5,528,676</u>	<u>\$6,346,938,369</u>	<u>\$11,899,972,557</u>	82%
Benefits Paid	\$302,315,189	\$8,377,514,763	\$14,600,718,960	
¹ Administration expenditures include charges related to UI taxes. It also includes all charges to UI-related project codes, regardless of the GDOL unit. This typically includes charges within UI, Statewide Operations, and Department Administration. ² Revenue associated with the UI-related project codes. ³ Regular (state) UI benefits. Georgia repaid \$1.1 billion in federal advances for regular UI benefits with federal CARES Act funding. ⁴ Includes federal UI programs, as well as State Extended Benefits (SEB), which were fully funded by the federal government during the pandemic. SEB costs are normally split between the federal and state governments.				
Source: TeamWorks Financials				

Federal funds comprised an increasing majority of revenue for UI administration, representing nearly all administration funding in fiscal year 2021. A small portion of administration costs are funded by state appropriations.

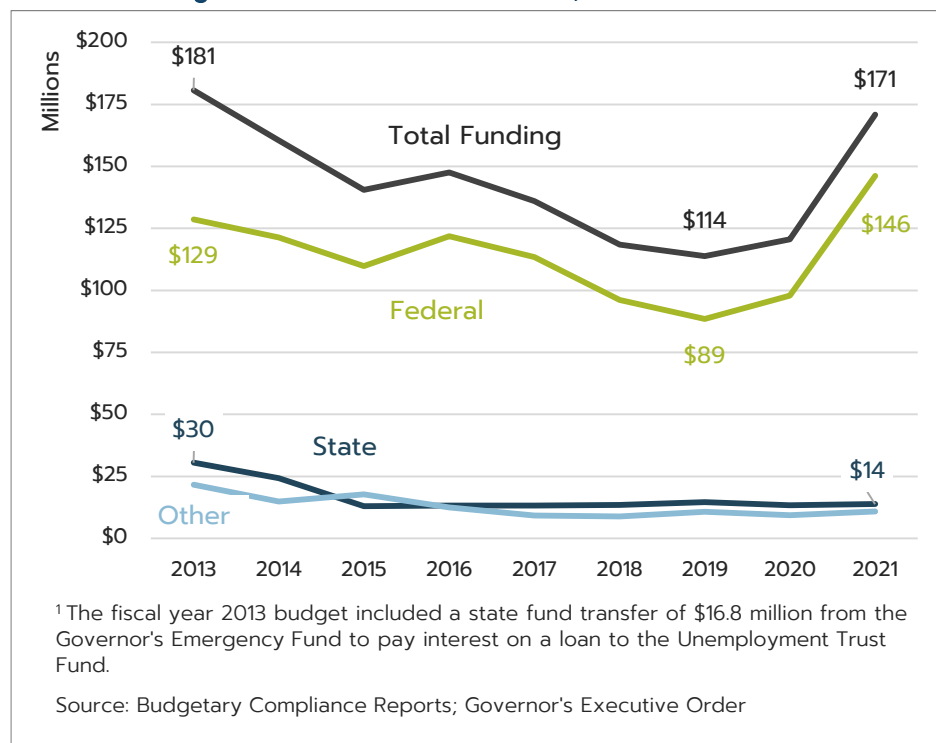
UI benefit payments also increased exponentially—from approximately \$302.3 million in fiscal year 2019 to approximately \$14.6 billion in fiscal year 2021. Georgia's UI benefits are typically funded by state employer payroll taxes, which are collected by GDOL and deposited into the state unemployment insurance trust fund. With the creation of federal programs during the pandemic, federal dollars became the primary source of payments. In fiscal year 2019, nearly all benefits were paid using the state employer payroll taxes collected by GDOL. In contrast, approximately 82% of benefit payments in fiscal year 2021 were associated with federally funded programs—increasing from \$5.5 million to nearly \$12 billion. Regular state benefits also increased significantly (from nearly \$300 million to \$2.7 billion). Many of these benefits were ultimately paid with federal dollars due to the trust fund being exhausted and federal advances of \$1.1 billion being repaid by a portion of the state's CARES Act funds.

Recent History of Funding

In the years preceding the pandemic, funding to GDOL had steadily declined before increasing slightly in fiscal year 2020 and significantly in fiscal year 2021 (see **Exhibit 7**). As shown below, federal funding represents the vast majority of GDOL funding and was the primary driver of variation over the period. Funding to the UI program (not shown) followed a similar trend, with the change largely driven by federal fund changes. Federal funding for UI program administration is primarily driven by claim volume, so funding fell in the years after the Great Recession when unemployment rates were lower. (As noted above, funding and expenditures related to UI are not limited to the UI program.)

Exhibit 7

GDOL Funding Declined Prior to Pandemic, FY 2013 - FY 2021¹



State funding to GDOL was more stable over much of the period. It exceeded \$20 million in fiscal years 2013 and 2014 but was between \$13.0 million and \$14.6 million the last seven years. State funding to GDOL is supported by an administrative assessment paid by employers (in addition to the payroll tax). The funding is deposited into the state treasury and subject to appropriations two years later. Appropriations in fiscal years 2015-2018 were \$11.3 to \$14.4 million below the corresponding collections each year. In fiscal years 2019-2021, they were \$6.3 to \$7.6 million below collections.

Timeliness of Payments

Finding 1: Benefit payment delays were driven by unprecedented volume, limited automation of claims processing, and other factors.

UI claimants experienced significant delays during the pandemic in Georgia and nationwide. Efforts to slow the spread of COVID-19 led to higher unemployment and an unprecedented surge in UI claim volume. New federal programs required state resources and added claimants not typically eligible for UI. In Georgia, limited automation and the requirement for significant staff involvement in claims processing also contributed to delays. While underlying causes could be identified, GDOL could not provide detailed claims data that would have allowed us to evaluate all factors that resulted in determination and payment delays.

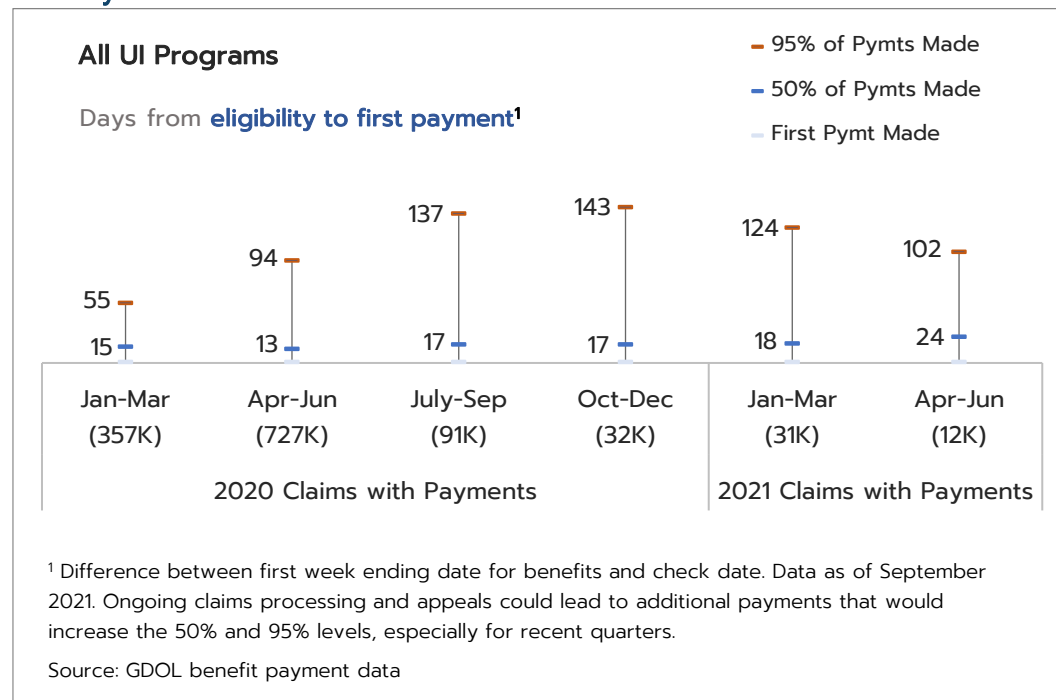
Many claimants experienced increasing wait times before receiving their first benefit payment during the pandemic.⁴ As shown in **Exhibit 8**, some claimants received their first payment within a few days of their initial eligibility, and half of the initial payments took less than three weeks in most periods reviewed. However, after the pandemic began, the last 5% of claims paid (as of September 2021) took three to almost five months or more.⁵ Over the period reviewed, approximately 127,000 claimants' first payment occurred more than 60 days after initial eligibility; approximately 37,400 claimants waited more than 120 days.⁶ The longest payment delays may be due to appeals that overturn an initial denial. Additional details regarding first payment timeliness are shown in **Appendix D**.

While first payment delays began with the surge of claims in April 2020, claimants experienced longer first payment delays starting in the third quarter of 2020. GDOL staff indicated claims were more complex after the early surge, when most claims resulted from lack of work. Later claims were reportedly more likely to involve resignations or firings, which require a claims examiner's review. It should be noted that the largest claim volume occurred in April-June 2020, so the final 5% of payments in this quarter represents approximately 35,300 claimants with payment times greater than 94 days. Other quarters had significantly lower claim volume; therefore, the number of claimants waiting declined despite the longer time frames.

⁴ As discussed in greater detail on pages 16 and 23, GDOL was unable to provide data that would allow us to evaluate the timeliness of all claims (paid and denied), the time between other milestone dates (e.g., filing, monetary and nonmonetary determinations), or the differences in performance across all UI programs. This analysis only includes paid claims and the difference between the ending date of the first week the claimant was eligible for benefits and the check date for the first payment.

⁵ It should be noted that these payment times may grow longer as additional claims are paid and more appeals are heard.

⁶ Our analysis excluded PUA claims with a first eligible week in the first quarter of 2020 because the CARES Act (passed March 27) allowed claims to be backdated to weeks ending February 2.

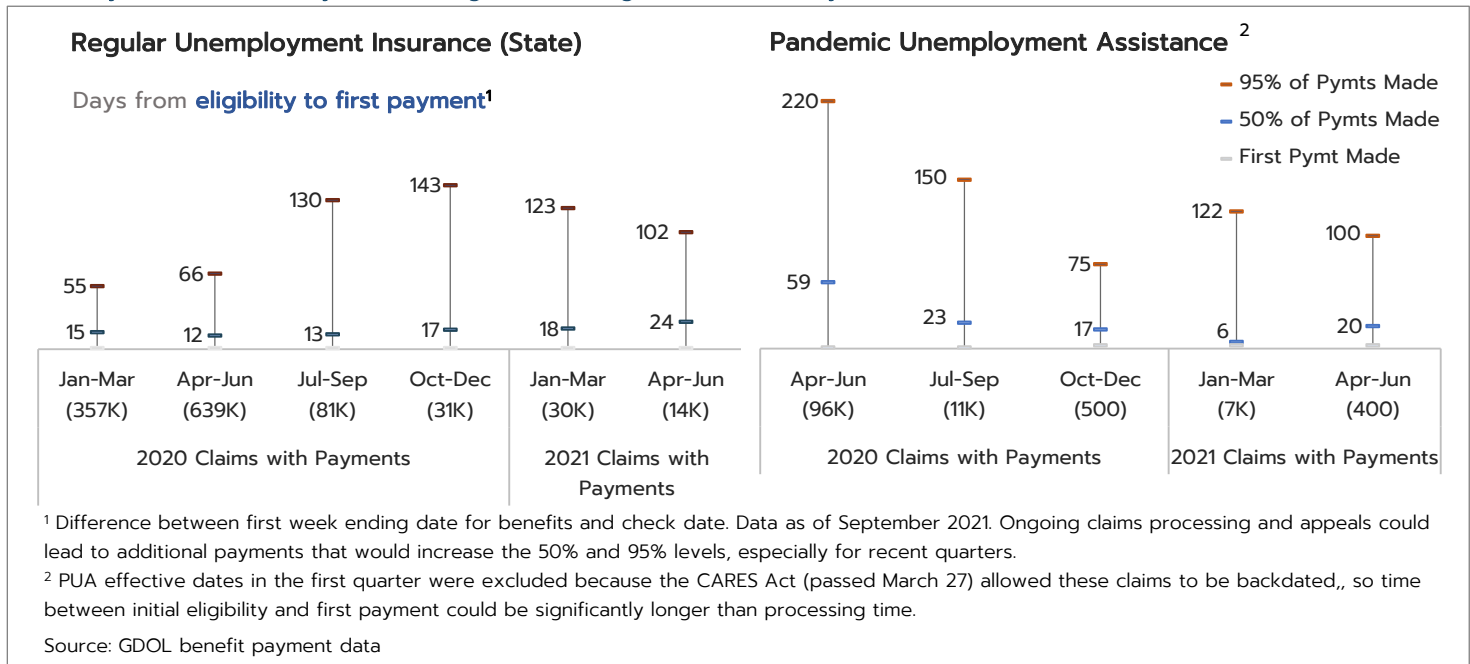
Exhibit 8**Half of Payments Took a Few Weeks, Others Took Several Months****January 2020 - June 2021**

Time to first payment varied by program, as shown in **Exhibit 9**. For regular (state) UI, half of first payments were made in less than three weeks throughout the pandemic, and 95% of payments were made within two and four months, depending on the quarter reviewed. Approximately 26,000 claimants (paid as of September 2021) waited more than 120 days.

PUA payments generally took longer, in part because claimants had to first apply and be denied for regular UI before applying for PUA. GDOL officials were unable to explain the reason for the trend in 2020, though timeliness improved over the course of the year. After the Continued Assistance Act was passed in December 2020, PUA claimants were required to verify their identities and provide documentation to support their pre-pandemic earnings, which likely delayed initial payments for some claims filed in 2021. Approximately 15,100 claimants paid through September 2021 waited more than 120 days for their first payment.

Exhibit 9

PUA Payments Generally Took Longer than Regular UI, January 2020 - June 2021



Delayed benefit payments caused financial hardships and frustration for many claimants. Media reports and thousands of web inquiry comments showed that claimants risked eviction, foreclosure, and food insecurity. Others reported that they were unable to pay utility bills or afford necessities. The frequency of repeated calls and inquiries shows the desperation of some claimants. More than 225,000 claimants sent multiple web inquiries between January 2020 and May 2021; almost 11,000 sent more than 10 inquiries. Between January and May 2020, nearly 270,000 people placed 10 or more calls to GDOL.

Our review identified several issues contributing to the delays in processing claims and issuing benefit payments. Additional details and areas for improvement are discussed throughout the report.

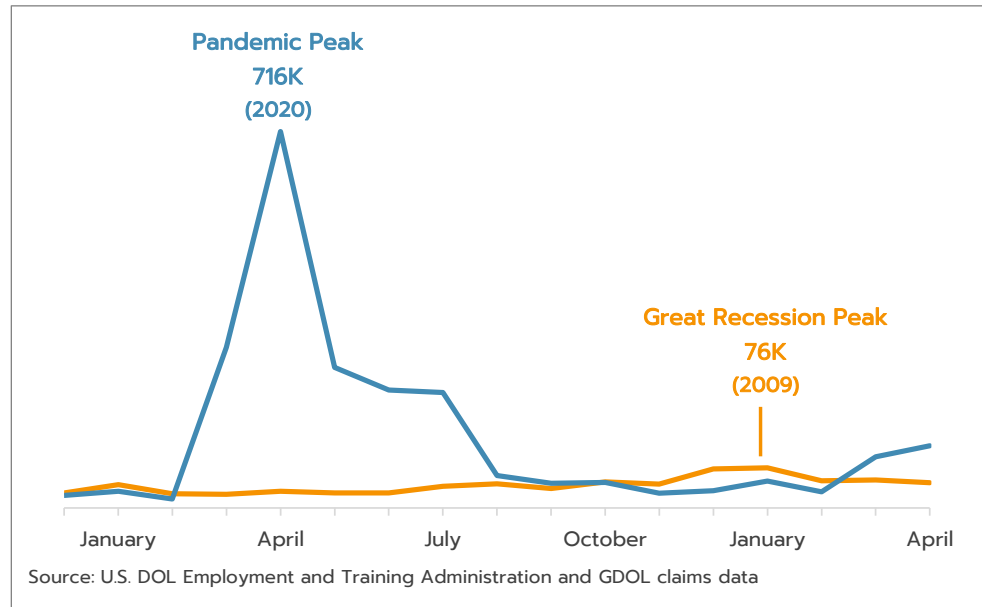
- Unprecedented claim volume** – The economic shutdowns in early 2020 led to historically high UI claims in an unusually short time. New UI claims increased to approximately 716,000 in April,⁷ 40 times the 17,000 new claims filed in February 2020. The claim volume in April alone was more than three times the number of claims in all of 2019 (approximately 218,000).

During a typical recession, unemployment rates rise over several months, giving state labor departments time to respond. However, the suddenness of the pandemic caused claims to surge more quickly, straining states' unemployment processing systems and leading to

⁷ We estimated new initial claim volume during the pandemic, using unduplicated counts from GDOL claim data. GDOL's reporting included approximately 1.2 million duplicate claims and 1.4 million additional claims during the pandemic, which would have involved a significantly lower level of review.

delays. **Exhibit 10** shows monthly volume for new initial UI claims for two time periods—the months around both the Great Recession (began December 2007) and the pandemic recession (began February 2020). During the pandemic, unemployment claims spiked over a two-month period and then remained elevated for more than a year. In contrast, claims rose gradually over 14 months during the Great Recession, peaking at approximately 76,000 in January 2009.

Exhibit 10
New UI Claims Surged Sharply During the Pandemic



- Staff-intensive claims process** – Manual processes hindered GDOL's management of the claim surge. GDOL's system for processing claims requires a high level of staff involvement, with limited automation, as discussed on page 28. Additionally, certain eligibility decisions (e.g., assessing a claimant's reason for quitting) must be made by an employee and cannot be automated. As a result, GDOL needed to significantly increase UI staff to address the claim surge. GDOL shifted many non-UI staff to claims processing and hired contractors to provide support, as discussed on page 35. GDOL did not significantly increase the number of agency employees, partly due to the challenges of hiring and retaining employees.
- New federal programs** – Implementing several new federal pandemic programs took time and required a redirection of staff resources for creation of policies, training, or IT requirements. To begin implementation, GDOL needed guidance from U.S. DOL, which typically took one to two weeks to issue. GDOL's UI and IT staff then worked to develop new programming to ensure adherence to federal guidance. Additional programming changes were necessary later as

GDOL could not provide data for a comprehensive evaluation

While the broad underlying causes of delays are known, GDOL could not provide the data necessary for us to evaluate the extent to which specific claim types or agency processes contributed to delays. We were told that our original request for comprehensive data on all claims submitted would take several weeks for each program, or a total of three to four months. Given the report timeline, we agreed to use a smaller data set GDOL was providing to the U.S. DOL Inspector General, despite it allowing only a more limited analysis. However, the data GDOL provided contained errors such as blank fields and claims paid before they were filed (as discussed on page 23). Any analysis based on this data would not have accurately represented processing times.

Ultimately, we were limited to the payment data GDOL provided to our financial auditors. This data allows an analysis of the time to first payment by program but does not permit an analysis of pending claims, denied claims, the characteristics of claims processed more slowly, or the types of claims most frequently appealed.

We also considered using data that GDOL regularly reports to U.S. DOL to evaluate the timeliness of claims processing compared to other states. However, as discussed on pages 20 and 22, this reporting is limited and had reliability issues, such as including duplicate claims and underreporting the number of appeals filed. Other states also experienced data issues, making comparisons between states problematic.

Congress passed subsequent legislation and U.S. DOL issued new or revised guidance. Staff also needed training on the new programs to process claims and answer claimant questions. GDOL reported that PUA was especially difficult to implement because it covered groups not typically eligible for UI in Georgia (e.g., self-employed, gig workers). PUA claims were also prone to delays because claimants had to file for regular state UI and be denied before filing for PUA.

- **Mistakes by claimants and employers** – Mistakes during the application and weekly certification processes delayed processing, caused missed payments, and likely led to denials. The claim surge included many first-time filers who were unfamiliar with UI, and errors were more likely because claimants could not reach GDOL with questions. As discussed on page 43, claimants frequently misunderstand communications from GDOL, including application questions and determination letters. Additionally, GDOL required employers to take responsibility for filing and certifying partial unemployment for their workers, and many were not equipped to do so (discussed on page 51).
- **Increased fraud** – Fraudulent claims increased during the pandemic nationwide, and some legitimate claims were delayed or denied as a result. News reports indicated that organized crime targeted UI programs using stolen identities to file fraudulent claims. When individuals later attempted to file a legitimate claim, the system would identify the earlier claim using their identity, leading to denial or delays while the issue was addressed. GDOL employs a number of controls in an attempt to prevent fraud, but these controls may also catch unintended mistakes. For example, a claimant may enter their Social Security Number incorrectly, causing their claim to be flagged, requiring manual staff review and additional claimant action.

- **Inadequate customer service** – Unanswered inquiries increased GDOL's workload and led to payment delays. Career center staff split time between processing claims and answering inquiries during the pandemic, and staff from other divisions also provided assistance. However, GDOL has only a small unit (16 staff in April 2021) that exclusively answers phone calls. As discussed on page 56, many claimants were unable to reach GDOL staff for information on their claim status. As a result, some claimants filed duplicate claims or invalid appeals in an attempt to obtain benefits, creating more work for GDOL staff. Other claimants were unable to reach GDOL to provide information necessary to process their claims, resulting in delays or incorrectly denied claims.

Agency Response: *GDOL generally agreed with the factors that contributed to delays, though it emphasized several and disagreed that automation was a significant factor.*

GDOL considered the primary factors to be unprecedented claim volume, new and changing federal programs, and inadequate administrative funding between the Great Recession and the pandemic.

- *GDOL noted the increase in claims was “unprecedented and unforeseeable,” indicating it had paid out more in UI benefits during the pandemic than in its entire 84-year history.*
- *GDOL stated that Congress created “poorly designed programs” it knew states would struggle to implement, especially PUA, which significantly increased both claims and identity fraud. Additionally, U.S. DOL “was slow in issuing guidance and repeatedly changed it, causing delays to state implementation.”*
- *GDOL noted the negative impact of insufficient funding prior to the recession. It stated that “Commissioner Butler repeatedly warned the legislature that if the full administrative assessment was not restored to match the amounts being collected, the next recession would have a devastating impact on Georgia. The state repeatedly ignored Commissioner Butler’s many requests for additional funding.”*

GDOL said that “increased fraud, mistakes by claimants & employers, and staffing challenges also contributed to delays.” It indicated that claimants who submitted all the necessary information in their application “generally saw their claims processed promptly.” It pointed to identity verification requirements to address PUA fraud and noted that if claimants “delayed in verifying their identities, payments could not be released.” Additionally, it noted the difficulty of maintaining adequate staffing with insufficient funding.

GDOL disagreed that lack of automation was a primary cause for delays. It argued that it had “utilized automation where permitted” by U.S. DOL and noted that electronic filing in bulk by employers was an innovation recognized as a success by U.S. DOL. It stated that a majority of claims were automated in early 2020 due to the nature of the job separations. Furthermore, it contended that states with more automation than Georgia

did not have better results. However, it did agree that “opportunities exist for increased automation of claims processes.”

Auditor's Response: While GDOL stated that it had already automated processes where permitted, it also acknowledged additional automation was in place in other states and was planned in Georgia. As discussed in the report, we identified tasks that could be automated to reduce the need for staff involvement during initial processing, which would have helped GDOL handle the pandemic claim surge with fewer staff. Several years ago, Minnesota determined that increasing staffing to deal with its significant seasonal fluctuations in UI claims was impractical. It increased automation of the UI process, allowing easier scale up for higher volume, and consistently ranks highly in first payment timeliness.

Agency Response: GDOL contended that the data provided to the audit team and publicly available data should have allowed for a thorough evaluation of timeliness. It also stated that the audit work duplicated U.S. DOL's auditing efforts and the data requests were overly burdensome. It suggested that the audit team's request demonstrated a lack of understanding of complex process because claims data does not fit into a neat chronology easily produced and analyzed in the manner desired. Regarding the reported problems with claims data, GDOL said that U.S. DOL OIG did not indicate there were problems with the data.

Auditor's Response: As noted in the report, we identified inconsistencies and inaccuracies in GDOL's claims data and federal reporting that prevented us from using these sources to report on timeliness. Results based on inaccurate data would not have presented an accurate portrayal of timeliness. When we reviewed a sample of claims with senior GDOL staff, the dates and amounts shown in the data set did not always reflect what was shown in the claim record, and the official was unable to explain the information in the dataset.

After discussing the time needed to fulfill our initial data request and the types of analyses we wanted to perform, GDOL proposed that we utilize data being provided to the U.S. DOL OIG for the timeliness analysis. This dataset, recommended by GDOL, was not reliable for assessing timeliness. Months after suggesting the dataset (and after receiving a report draft), GDOL determined that the attempted use of the data it provided signified the auditors' lack of understanding of the program's complexities.

Finally, we spoke with the U.S. DOL OIG after receiving GDOL's response and determined that the data GDOL provided to the audit team was not used to analyze timeliness.

Agency Response: GDOL also stated the audit timeliness metrics used in the report were “novel” and that they reflected DOAA auditors' lack of understanding about complex UI processes. GDOL believes that the analysis also does not appropriately distinguish appeals that reverse earlier disqualifications from other paid claims and that the limitations of the analysis are not explained.

Auditor's Response: Without claims data to assess timeliness, we used the payment data as a last resort to answer the questions posed by the Georgia House and Senate Appropriations Committees. The data reported is simply the time between the first week the claimant was eligible for benefits and the first payment, using a similar calculation to what is used for the federal first-payment timeliness measure GDOL referenced in its response (see below), and using data that GDOL provides to the financial auditors every year. When we notified GDOL that we planned to use this data to report on timeliness, as well as the method and data points we planned to use, it did not express concerns.

Agency Response: Finally, GDOL stated the audit should have used federal timeliness standards and compared Georgia to other states using the data states reported to U.S. DOL, as other auditors had done. It pointed to U.S. DOL first-payment timeliness measures showing that during the pandemic, Georgia frequently ranked in the top three of eight states in the South region and in the top three of ten large states.

Auditor's Response: As noted in the finding, we identified issues with the reliability of key data points in the U.S. DOL reports that prevented us from using it for analysis. More importantly, auditors frequently obtain the underlying data to ensure that agencies' reports are accurate.

Additionally, it should be noted that federal timeliness reporting reflects only regular UI (no federal programs) and that Georgia failed validation testing for payment data. Additionally, other states experienced similar data reliability issues during the pandemic, making such comparisons problematic. While some audits may include these comparisons, we spoke with performance auditors in other states who had reached the same conclusion and avoided reporting on the federal data for this reason.

Management Information and Planning

Finding 2: GDOL lacks information that would assist UI program management with planning and decision making.

GDOL needs additional and reliable information to better manage the UI claims and customer service processes. Despite the UI program's size and complexity, management primarily relies on informal information gathering (rather than data-driven reporting), and available data may be inaccurate. During the pandemic, additional information regarding claim workload status, processing challenges, inquiry volume, and the reasons for claimants' inquiries would have better informed GDOL's staffing and communication strategies.

Timely and accurate analysis of program data can help management evaluate performance, identify areas for improvement, and set priorities. With the right information, management can better understand the issues the program faces and the impacts of options being considered, which improves decision making.

Instead of using data-driven reports, GDOL often relies on informal processes and discussions for decision making. The agency does not have sufficient reporting in place, and new reports cannot be provided in a timely manner. Additionally, in some available reports, key data are not sufficiently reliable for management use.

Limited Information Available for Program Management

GDOL needs additional information to systematically manage its claims process and customer service operations. Informal information gathering may alert management to some issues that staff have observed, but other problems may be overlooked.

- **Claims** – GDOL's claims management system contains dozens of data points that could provide valuable information for UI management, but this data is not fully utilized. Regular reporting on UI claims is limited to summary data required by U.S. DOL, such as claim volume and first payment timeliness.⁸ These reports do not provide other information that would be useful for UI management. For example, the reports do not include data on staff productivity, the timeliness of monetary determinations, or performance measures for programs other than state UI (e.g., PUA, PEUC). The reports also omit claim characteristics (e. g., non-English speakers, employer-filed versus claimant-filed) that could impact denial rates or processing times.

Up-to-date information is difficult to obtain. UI management can request reports from IT when they identify an issue. However, GDOL

⁸ GDOL also has real-time data about the total number of pending claims, but this does not provide the type of reporting that can be used for trend analysis or process evaluations.

IT stated it takes a minimum of four to six weeks to generate the reports, which limits their usefulness.

- **Customer service** – While analysis of performance trends and workloads could help improve customer service, GDOL does not use regular reporting or performance metrics to manage its operations. Currently, staff may obtain reports on the number of calls answered or sent to voice mail, but no reporting is currently available on common metrics, such as total volume, answer rate, or caller hold times. Finally, GDOL does not track performance information related to web inquiries, emails, or voice mails, including whether or how quickly staff responded. Without this information, GDOL cannot properly evaluate its responsiveness to claimant inquiries.

GDOL also does not track why many individuals contact the agency, which could help improve its communications. Currently, no data is collected for why claimants call career centers or send emails. Broad topics are collected for a limited number of calls, but these fields are either not required or not reliable for analysis.⁹ With more and better data, GDOL could improve the information it provides to claimants and staff. For example, claimant questions could suggest new information for the website's Frequently Asked Questions or additional clarification to include in letters or application questions. (GDOL staff indicated they did alter the FAQs using data from a chatbot added during the pandemic.) These types of changes can reduce the need for claimants to request assistance. GDOL could also use this data to adjust training and ensure staff have the information they need to help claimants.

Additional management information would help GDOL better plan for future claim surges. As discussed on page 24, a recession plan outlines predetermined strategies to quickly implement when UI claims increase. Better information and ongoing analysis could help GDOL identify whether changes are needed and which strategies to implement. For example, GDOL needs additional staff when claim volume rises, and productivity information would help management understand how many claims and inquiries staff in each role can handle. This would inform decisions about whether to hire new staff, shift work to other staff, or use contractors for particular roles (e.g., claims processing, customer service).

Current Information Not Always Reliable

To improve decision making, management information must be based on accurate and complete data. Some data currently available from GDOL is not reliable enough to be used by management. We attempted to use two sources—GDOL's reports to U.S. DOL and data extracts GDOL produced for this special examination—to answer questions about claims processing timeliness and responsiveness to claimants. However, the issues described below prevented us

⁹ The central customer service line had general topic data for 5% of calls. The dynamic scheduler appointment system also included general topics, but staff indicated the fields were not reliable.

from completing the planned analyses and indicate UI management may not always receive accurate information.

- **Inaccurate reporting to U.S. DOL during the pandemic** – Key data points in GDOL's federal reporting were inaccurate, including the number of claims and appeals filed. As a result, neither GDOL nor the public had an accurate picture of the pandemic workload and resulting backlogs. The system issues that led to the discrepancies were not caused by the pandemic, but they were likely exacerbated by the increased claim volume. It should be noted that GDOL failed 8 of 11 data validation tests for UI benefits that were required by U.S. DOL in 2021. Many states also failed validation tests during the pandemic.
 - **Claims filed** – GDOL reported significantly higher claims filed than it actually received. Federal reporting shows approximately 3.9 million initial claims were filed during the pandemic but only 2.7 million went through initial processing, a difference of 1.2 million (40%). Staff indicated the difference occurred because the reporting system counted duplicate claims as new claims. Pandemic conditions likely increased the number of duplicates due to employer-filed claims (e.g., multiple employers filing for one person) and processing delays that led claimants to file multiple claims.¹⁰
 - **Pending appeals** – GDOL reported significantly fewer pending appeals than the actual number awaiting decisions. Federal reporting showed 2,393 appeals pending in October 2021; however, GDOL staff indicated there were approximately 61,000 appeals awaiting processing at that time, a difference of approximately 59,000 (96%).¹¹ Staff indicated that the remaining appeals had been received but were not yet processed and entered into the system. The pandemic volume increased the number of appeals, which meant a large number had not yet been entered.
 - **Other data** – Other data in the federal reports also showed discrepancies, indicating underlying problems. For example, PUA reporting showed that less than 1% of claimants found eligible in the fall of 2020 received a first payment, which staff indicated was not accurate. Reporting for state extended benefits and federal PEUC show appeal decisions were made but no appeals were filed. Data quality issues also affected the performance measure for nonmonetary determination

¹⁰ An analysis performed in July 2020 by the University of Tennessee Boyd Center for Business and Economic Research noted that "industry-level claims data from Georgia suggests that 163% of leisure and hospitality workers have filed initial claims since the pandemic began." (Understanding the Accuracy of Unemployment Insurance Data, by Marianne Wanamaker and Evan Newell)

¹¹ Some portion of these will be determined to be invalid, meaning the claimant did not yet have a determination to appeal.

timeliness. This issue was included in GDOL's corrective action plan prior to the pandemic.

- **Inaccurate data provided for the special examination** – Problems with data GDOL produced for the special examination indicate there would likely be problems with ad hoc reports produced for UI management.
 - **Claims data** – GDOL had difficulty providing complete and accurate information for the audit team to evaluate the timeliness of claims processing and payments. As discussed on page 16, we had to significantly reduce our data request to obtain claims data within the necessary time frame. When the dataset was obtained, problems included missing records, blank filing dates, and inaccurate benefit amounts. Additionally, thousands of records had illogical date orders—for example, first payment dates that occurred before the claimant filed or before GDOL staff had reviewed the claim. (This does not necessarily indicate problems with claims processing but with the ability to pull system information into reports.) Over the next three months, GDOL provided revised data three more times. While these data sets improved, they still exhibited similar problems.
 - **Customer service data** – Some data related to claimant communications also suggested reliability problems. For example, the call data showed calls that appear to be answered in the middle of night or that lasted a few seconds. GDOL stated the “data cannot be assumed to be accurate or complete.” Additionally, while the Dynamic Scheduler data included general call topics, staff indicated these fields were not reliable.

RECOMMENDATION

1. To manage the UI program more systematically, GDOL should collect additional information and ensure all information is reliable and accurate.

Agency Response: “GDOL agrees that having more information available during the pandemic would have greatly assisted UI management with planning and decision making” but indicated that reduced federal and state funding after the Great Recession had prevented expansion of system reporting capabilities. It noted that, while federal funding declined over the past decade, it had applied for federal administrative grant money to make UI system improvements. GDOL further declared that the state had diverted \$100 million in administrative assessment funding from the agency between 2010 and 2020, which it contends is inconsistent with O.C.G.A. 34-8-182(b). It stated that the additional funds would have resulted in fewer deferred improvements to reporting and information systems, as well as additional

staffing. GDOL indicated that the agency consistently asked for the full assessment collections to be provided but that the commissioner's "requests and warnings were consistently ignored" by the legislature. Finally, GDOL stated that the special examination ignores the loss of federal and state funding as a key factor in the pandemic response.

Additionally, GDOL agreed that available data is limited to the data and metrics required by U.S. DOL but disagreed that additional data and metrics noted in the finding, such as claimant characteristics and timeliness of monetary determinations, were necessary. It stated claimant characteristics (e.g., non-English speakers) are not relevant for reporting because they play no role in processing times. GDOL added that decisions are "informed by leaders with decades of experience analyzing workforce and economic data and trends."

Auditor's Response: *During the audit, GDOL officials made various assertions but could not provide requested data to allow for evaluation of these statements (e.g., delays caused by incomplete applications or missing wages). These assertions may be accurate, but as the finding points out, additional data can provide a better understanding of the issues to facilitate process improvement and resource prioritization. For claims that take longer to process than others, detailed claim data may indicate the characteristics or factors impacting timeliness.*

Recommendation: *GDOL noted that it is currently using federal pandemic grant funding "to upgrade information and reporting systems" but some improvements would require ongoing funding (e.g., licensing fees). These upgrades will include "a customer relations management system and a virtual agent to improve customer inquiry tracking and resolution as well as enhanced reporting and monitoring."*

Finding 3: A documented plan would help GDOL better manage future increases in claim volume.

While the pandemic led to an unprecedented increase in claims, UI programs regularly experience fluctuations due to economic expansions and contractions. GDOL does not have a documented plan to address such fluctuations. Developing a plan would help GDOL prepare for future claim surges, reduce the need to quickly develop strategies during a crisis, and ensure that lessons learned are available for future GDOL managers.

The cyclical nature of UI requires proactive planning to address changing claim volume. The UI program is closely tied to economic conditions—unemployment claims are expected to fall during expansions and rise during recessions. The changing claim volume necessitates different approaches based on varying economic conditions. In particular, the increased workload during recessions that occur every several years is likely to strain an unemployment agency's capacity without proper planning.

GDOL does not have a documented recession plan for expected increases in claim volume. Because the pandemic claim surge was unprecedented in its size and

speed, it is unrealistic to expect that a plan would have prevented all delays. However, a predetermined plan requires evaluating and selecting strategies that can be more quickly implemented once conditions warrant. GDOL staff indicated that advance planning is not possible because the federal government creates new programs for each recession. While new applications and training cannot be developed before new federal programs are passed, GDOL can prepare for operational changes that may be necessary for any recession or claim surge. For example, a plan could outline when and how to ensure sufficient phone capacity—at the beginning of the pandemic, 78% of calls (approximately 15.1 million) were dropped before May 2020, when GDOL indicated they increased call capacity.

Without a formal plan, GDOL had to rapidly develop strategies to address the claim surge, which prevented comprehensive evaluation of the options. UI staff indicated they did not have time to conduct analyses or research other states' strategies, instead relying on informal decision making and limited formal data. For example, GDOL could not significantly increase its ability to respond to claimant calls without using individuals that would otherwise assist with claims processing. Many months after the initial claims surge, GDOL modified its training program to allow new employees to begin answering claimant calls.

Lessons learned during the pandemic should be incorporated into the recession plan. These lessons could include:

- **Documenting Effective Strategies** – The plan should document strategies GDOL used that were effective and specify preparation or improvements that should be made. For example, GDOL was able to incorporate additional staff quickly by hiring prior UI employees (i.e., retirees) and using cross-trained career center employees who typically worked on re-employment services. GDOL can prepare to use these strategies by ensuring the necessary support (e.g., refresher training) is already in place and updated regularly.
- **Identifying Areas for Improvement** – A review of pandemic strategies should also identify areas for improvement. For example, employer-filed claims helped speed claims processing but led to problems for some claimants, as discussed on page 51. GDOL should determine the best methods to address these issues and incorporate those methods into its planning.
- **Researching Alternative Strategies** – As noted throughout the report, other states took different approaches to the claims surge or used different methods for regular operations. Agency staff may also provide alternatives for consideration. GDOL should gather information from other states and its staff and evaluate whether other strategies may be effective in Georgia.

UI Recession Plan Components

A recession plan should provide guidance to agency staff on how to address challenges that typically occur during a recession. An effective plan should consider the following:

- Areas affected - Recession workloads may require the agency to make changes in multiple areas, including staffing, technology, communications, and policies.
- Regular updates - Management should review the plan on a regular basis (e.g., quarterly) and edit the plan as needed or prepare for operational changes based on economic conditions.
- Task assignments - To ensure clarity and speed in implementation, tasks should be assigned to specific roles. For example, an IT project manager may be tasked with assessing phone capacity.
- Economic indicators - Monitoring economic indicators can help detect an approaching recession and trigger early action. Staff should review leading indicators, such as durable goods orders and consumer purchases, as well as labor market information, such as layoffs and UI claim volume.
- Decision parameters - Data can help guide agency actions. For example, the plan could recommend when to begin the hiring process and how many staff to hire based on pre-determined thresholds in economic indicators and claim volume.
- Preparation - Some actions should occur before the recession begins. For example, human resources may maintain regular contact with law schools so that it can quickly reach out to identify students who could help with appeals.
- Task prioritization - Management should identify less critical tasks that can be paused during a crisis and then develop a process for stopping, and later restarting, these tasks.

A documented recession plan would also help reduce knowledge loss resulting from staff turnover. Current UI management has significant experience in the nuances of a complex program, and they gained additional, valuable insight during the pandemic. Incorporating current management's experience into a formal plan would allow them to transfer this knowledge to future management. This element of succession planning is particularly important due to UI's staffing challenges, which include the percentage of employees eligible to retire (approximately 25%) and high turnover in some positions.

As discussed on page 20, GDOL must collect additional information to allow for more analysis and to manage the program systematically. This information should be used to help develop a recession plan.

RECOMMENDATION

1. To prepare for future increases in claim volume, GDOL should create a formal recession plan that considers lessons learned during the pandemic.

Agency Response: "GDOL agrees that compiling a list of 'lessons learned' could assist in agency planning." However, it did not believe that any planning would have prepared GDOL for the pandemic. Furthermore, it stated that it "implemented several innovative strategies in record timing during the pandemic to increase response time."

GDOL said the state “should also implement a statewide pandemic/recession plan” that includes reallocating staff between agencies. It stated that lessons have been learned and will be applied to future plans. It noted that recessions are typically more gradual and that events such as the pandemic “are impossible to predict and plan for by their very nature.”

GDOL stated that it made numerous improvements over the course of the pandemic to better serve customers. It pointed to employer-filed claims, waiving in-person visits, automated ID verification, waiving of work search requirements, deployment of the claimant portal, and use of virtual agents and chat bots. It also noted that due to “timely system capacity upgrades,” the GDOL system did not crash when those of many other states did.

GDOL also noted that, in recent preliminary audit findings, a U.S. DOL OIG contractor concluded that it was prepared for a future similar situation.

Recommendation: *“GDOL agrees that a formal recession plan is a good idea, but it would not have prepared GDOL for this pandemic and the unforeseeable volume of claims.” With recent and planned improvements, “GDOL will be more prepared to respond to a future recession.”*






IT System

Finding 4: While GDOL has made key updates to its claims management system, the system could better facilitate claims processing and communication with claimants.

GDOL’s claims management system lacks features of more modern UI systems—more efficient claims processing, automated communication with claimants, and better data reporting capabilities. These features reduce the amount of staff needed and can help direct management decisions, which is especially important when claim volume rapidly increases.

GDOL’s claims management system was initially created in the 1970s. The agency has incrementally added features to benefit both staff and claimants. In contrast to a full system replacement chosen by some states, an incremental approach results in smaller improvements over time without a large change to UI operations. While GDOL also has more control over short-term expenditures, the state does not benefit from some of the features of a fully modernized system. As shown in **Exhibit 11**, GDOL’s system does not yet provide many of the benefits expected from a modern system.

Exhibit 11
Additional Work is Needed on Key System Features

Feature	Automated Claims Processing	Automated Communications	Sufficient Capacity	Ability to Implement Changes	Reporting Capability
					
Description	Process is largely manual, though lack of work claims are partly automated	Claimant portal shows information such as benefit amount and payments, but automated communications are limited	Needed upgrades were made to server and storage capacity	Implementing federal programs was difficult due to insufficient resources	Insufficient reporting is available due to lengthy turnaround times and reliability concerns

Key features of modernized UI systems include the following:

- **Automated claims processing** – A high degree of automation can make the claims process more efficient, improve accuracy, and minimize staff involvement, which reduces the need for additional staff when claim volume rises. For example, Minnesota’s system uses extensive automation to obtain necessary information from claimants while they are completing the application and then flags eligibility issues. It will then send additional questions to employers to reconcile

claimant information when necessary. The degree of automation enabled Minnesota to eliminate the claims processor position entirely.

In contrast, GDOL's process for determining eligibility is very manual. Staff must perform a search for each claimant's wage history, check for claims in other states, and manually review application questions, which could be automated. For example, to ensure claimants are willing to accept similar job conditions as their previous job, GDOL staff manually check whether the miles the claimant is willing to travel are greater than or equal to the miles traveled to their previous job. When issues are identified, staff must call the claimant—and potentially the employer—for more information, which can cause additional delays. Eligibility reviews also require staff to repeatedly switch between computer programs¹² and manually type the claimant's Social Security Number into each.

Staff also reported numerous claimants attempted to force an eligibility decision by filing appeals before receiving a determination that could be appealed. These invalid appeals contributed to the current backlog. To reduce these types of errors that increase workloads, GDOL could incorporate new system rules, such as only allowing claimants to file appeals after receiving a determination.

During the pandemic, Georgia partially automated certain lack-of-work claims. Staff perform the initial review and request separation information from the employer. If the employer indicates the separation reason is lack of work (i. e., no work is available for the employee), the system can match their response with the claimant-reported reason in the application and process the claim for payment.

- **Automated communications** – Greater use of automated communications helps reduce the need for staff resources while

GDOL made significant IT upgrades during the pandemic

GDOL has made other upgrades not directly tied to the five key capabilities discussed in this finding. These upgrades likely improved performance and helped address fraud during the pandemic. Examples include:

- Multi-claimant upload capability for employer-filed claims - This feature allows for easier filing of bulk claims. Employers can file online for multiple employees simultaneously instead of submitting a separate form for each employee or mailing a disk with multiple employee claims.
- PIN resets - Claimants can use a self-service feature to reset their PINs online. Previously, claimants had to call GDOL and ask staff to reset the PIN.
- Fraud detection - GDOL created checks for duplication in claimant-provided information (e.g., phone numbers) to help identify fraud.
- ID.me implementation - ID.me is a third-party vendor that allows most claimants to verify their identities online instead of providing documents to GDOL.

¹² These programs include different applications within the claims management system, the wage database, and ICON, an interface with other states' unemployment agencies, where staff check for wages and claims in other states.

providing claimants more timely information. Automating requests for documentation and allowing claimants to upload it directly would reduce staff intervention and improve efficiency. Automated status information also helps claimants understand the steps they need to take and reduces the need to contact the agency for updates. For example, Maryland has a claim tracker with information such as upcoming hearings and open items the claimant needs to complete. Maryland's claimant portal also allows claimants to upload documentation for adjudication and appeals.

Currently, GDOL staff call the claimant if additional information is needed after the application is submitted. For example, staff may ask the claimant to mail, email, or fax a copy of the separation form provided by their employer. Staff then link the document to the correct claim and resume the claim process. Additionally, if claimants want to know the status of their claim (e. g., awaiting a claims examiner review), they must call GDOL for updates. This issue contributed significantly to the increase in claimant inquiries during the pandemic (discussed on page 56).

GDOL has taken steps to automate some communications. In spring 2020, GDOL implemented a claimant portal providing information such as payment history and remaining benefit balance. Staff indicated plans for additional upgrades to allow greater use of the portal for communications and uploads, which would also improve the security of confidential information in claimant documents.

- **Sufficient capacity** – A UI claims management system should be able to handle incoming claim volume without significant performance issues. In 2017, GDOL began to upgrade its server and storage capacity, which was completed in spring 2020. These upgrades helped prevent the system from being overloaded and crashing under increased traffic. Other states experienced capacity issues such as website and claim system outages, particularly early in the pandemic when claims surged suddenly.

To avoid maintaining the necessary capacity internally, many states have moved to the cloud to use vendor capacity accessible over the internet. The cloud allows agencies to scale capacity up or down as needed and avoid maintaining excess capacity. While cloud security has been a concern in the past, GDOL indicated it would likely move to the cloud in the future, noting it would help decrease costs and improve efficiency.

- **Ability to implement changes and new programs** – A modernized UI system can help states more readily accommodate law changes and new UI programs, which became especially important during the pandemic. Once U.S. DOL issued guidelines for its new programs, each state had to develop programming to ensure guidelines were followed. Although there was some variation, states

with fully modernized systems implemented the federal programs more quickly than other states, which meant claimants received their benefits more quickly.

GDOL IT officials stated that implementing new federal programs required significant time and resources, though data was unavailable to isolate costs. Georgia issued its first PUA¹³ payments 28 days after the passage of the CARES Act, 10 days faster than the national average. However, Georgia did not issue its first PEUC payments for 76 days, 26 days slower than average. Additionally, Georgia implemented MEUC (a \$100 a week supplement for non-PUA claimants with significant income from self-employment) after the program ended. The program was effective in Georgia for the weeks ending January 2 through June 26, 2021, so claimants applied and were paid retroactively, with the first payments issued November 12. It should be noted that the IT system is one factor in the speed of program implementation, and some states with more modernized systems also experienced delays in implementing federal programs.

While system improvements are planned, GDOL staff indicated that none would specifically help reduce the resources needed to implement statutory changes and new programs.

- **Reporting capability** – A state's UI system should efficiently and accurately produce reporting to inform management decision making. As discussed on page 20, timely analysis of accurate program data can help management better understand the issues the program faces. For example, Alabama DOL officials stated that staff can generate reports to inform management decisions more quickly than before modernization. The system allows the creation of reports without an IT programmer writing and running the query, a process that took up to three days prior to modernization.

GDOL needs four to six weeks to generate new reports

GDOL cannot provide new, reliable reports in a timely manner. Regular reporting on UI claims is limited to data points that U.S. DOL requires. Any additional reporting must be programmed by IT staff upon request, which can take four to six weeks per program. This means it would take months to provide any new reporting on regular (state) UI, PEUC, and PUA during the pandemic. As a result, UI management could not use the reports to inform decision making.

Additionally, we found significant errors in the data GDOL provided to the audit team and in the regular reporting to U.S. DOL. The data we received contained obvious errors such as blank fields and claims that were paid before they were approved. Data reported to U.S. DOL included duplicate claims and underreported the number of appeals filed. Like many other states, Georgia failed federal data validation

¹³ Staff noted that PUA required more resources to implement than the other programs because GDOL created a new application and process for requirements that differed from previous UI programs.

tests during the pandemic, indicating the data was not reliable for analysis or management use.

GDOL indicated its modernization efforts have been hampered by limited funding. Federal funding for UI program administration generally follows the volume of claims, with funds increasing during recessions and decreasing during periods of economic growth. As a result, continued low unemployment rates after the Great Recession in 2009 led to lower federal funding for the program. In addition to federal funding, GDOL indicated that a state administrative assessment¹⁴ on wages was intended to supplement federal funding and support GDOL program administration. GDOL collects the assessment from employers and transmits it to the state treasury, and funding from the assessment is appropriated annually by the General Assembly. GDOL has requested the full amount of the assessment collected, with a significant portion dedicated to IT projects in several years. In fiscal years 2018-2020, the appropriation was approximately \$7.3 to \$11.3 million below the assessment collected.¹⁵

Additionally, the underlying programming for much of GDOL's system is old and contributes to GDOL's technological challenges. GDOL uses COBOL¹⁶ program language as the basis of its claims management system, and staff indicated that code for some components was written in the 1970s. GDOL reported that these components function as intended; however, it is difficult to hire COBOL programmers to make system changes and generate new reporting. While still in use in many industries, COBOL is no longer used for new programming and most students do not learn it. GDOL must compete with other organizations for a declining number of COBOL programmers, who continually become more expensive. GDOL indicated it is replacing COBOL language with newer programming languages (such as Java) as it updates components of the system.

RECOMMENDATIONS

1. GDOL should increase automation of its claim processing.
2. GDOL should continue to improve its communications with claimants through the portal—particularly with regard to status updates and document submission.
3. The General Assembly should consider additional funding to upgrade/modernize GDOL's UI systems. The General Assembly could require a list of planned projects and periodic status reports for the additional funds provided, similar to oversight reports found in O.C.G.A. 50-25-7.1 (d).

Agency Response: “GDOL agrees that it has made a number of key improvements to its case management system during the Pandemic,”

¹⁴ The assessment is currently scheduled to expire on January 1, 2023.

¹⁵ These amounts indicate the difference between the appropriation for a given fiscal year and the collections for two years earlier. This delay allows time for GDOL to collect and submit the assessment and the General Assembly to appropriate it.

¹⁶ COBOL is used by other states' unemployment agencies, other Georgia state agencies, and the private industry.

largely paid for with federal pandemic funding. GDOL indicated that additional upgrades to reporting and information systems would have occurred if the full administrative assessment had been appropriated. It also stated it had implemented the suggestion regarding limiting appeals to those with a determination. Regarding COBOL, GDOL said it has converted parts of its system into more modern languages like Java.

GDOL disagreed that other states with more modernized systems were able to implement federal programs faster than Georgia. It stated that while the U.S. DOL OIG had found that states with “ostensibly more modernized IT systems generally implemented federal programs faster,” that was not true with respect to GDOL. It added that some states with these modernized systems had recently decided to replace those systems.

Auditor’s Response: Additional IT modernization helps states implement required changes more quickly and/or with fewer resources. The May 2021 U.S. DOL OIG report cited older IT systems as a key factor in states’ struggles to implement the CARES Act programs. It found that states with more modernized systems implemented PEUC 15 days faster and PUA 8 days faster, on average, than other states. The report did not include the IT resources (hours and funding) required to implement a new program.

Agency Response: GDOL stated that not all additional reports would take four to six weeks, noting that the audit request was very complex. It stated that ad hoc reports take programming, and the amount of time depends on the request and the volume of other pending requests.

Auditor’s Response: The audit team specifically asked whether a reduced request could be pulled more quickly; GDOL offered no suggestions for expediting the data extract. (This data request was similar to what we would request from other state agencies for performance audits.) The length of time to produce ad hoc reports for management is also lengthy. GDOL staff indicated they sometimes must identify work arounds to avoid asking IT to run a query for them. Finally, the U.S. DOL OIG’s May 2021 report noted that Georgia’s required reporting was delayed for the new programs. Georgia was one of five states that had not reported any PUA or PEUC claims through August 2020, although it had already begun to pay these claims.

Recommendation 1: GDOL agreed that additional automation is possible as funding allows but noted there are limits on what can be automated.

Recommendation 2: “GDOL agrees that opportunities exist to offer additional services to customers through the claimant portal. GDOL has numerous improvements under development.” It cited improvements made to the claimant portal during the pandemic. It also noted plans for additional improvements for more automated communications, which will include a visual progress bar to show claim status and greater access to claim documents.

Recommendation 3: “GDOL agrees that the General Assembly should consider allocating additional funding to upgrade and modernize GDOL’s UI IT system,” noting that new improvements would require ongoing funding for maintenance and licensing fees, especially when federal funding falls.

Staffing

Finding 5: The number of GDOL employees has declined over time, resulting in fewer employees to address the surge in claims.

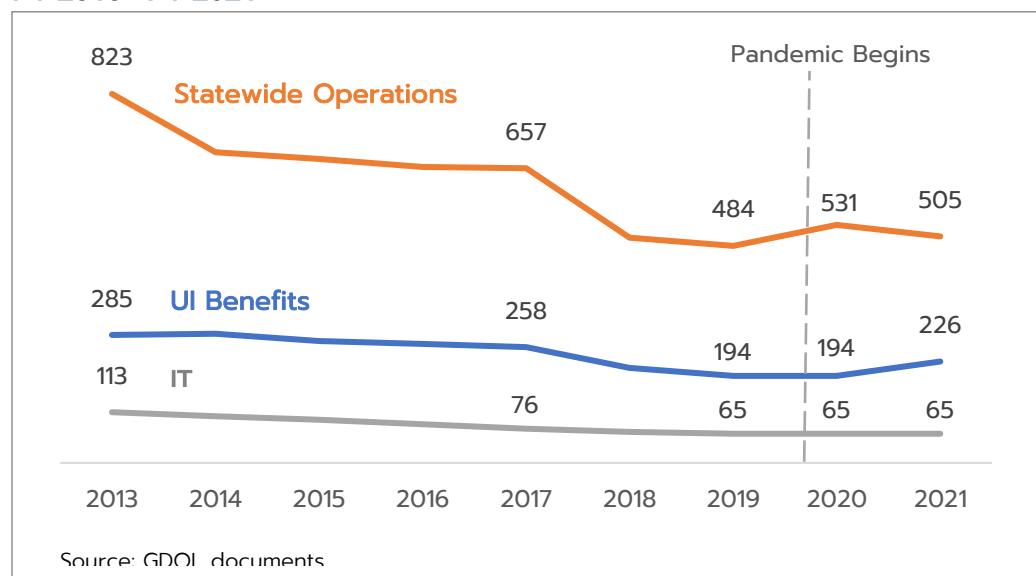
The number of GDOL personnel assigned to the UI benefit unit and the statewide operations division declined in the years preceding the pandemic. With fewer staff, the two units responsible for processing unemployment claims had less capacity to respond to the pandemic surge in claims. The IT division, which is also integral to UI claims processing, also experienced a decline in personnel. However, the effect of the decline is less clear because the division's significant use of contractors predates the pandemic.

Records from the Department of Administrative Services indicate that the number of GDOL personnel significantly declined in the years before the pandemic. Overall, GDOL had 1,719 employees at the end of fiscal year 2013¹⁷ but just 1,042 at the end of fiscal year 2019, about eight months before the pandemic.

As shown in **Exhibit 12**, the units with primary responsibility for processing UI claims—statewide operations and UI benefits—had fewer employees in 2019 than 2013. Statewide operations staff, which includes career center personnel,¹⁸ declined 41% from 2013 to 2019. UI benefits staff declined 32% over the same period. Both units attempted to add staff during the pandemic with mixed success (see page 41).

Exhibit 12

Primary Units Supporting UI Had Staff Declines Prior to the Pandemic, FY 2013 - FY 2021



¹⁷ All years include full- and part-time personnel, as well as those classified as temporary. In addition, GDOL had over 3,000 employees prior to the fiscal year 2013 transfer of Vocational Rehabilitation employees into a separate agency.

¹⁸ Career center personnel are typically responsible for UI claims and re-employment services. They have directed more time to UI claims since the beginning of the pandemic.

The decline in staffing coincides with a decline in funding to GDOL. From 2013 to 2019, GDOL's budget dropped from \$180.7 million¹⁹ to \$113.8 million, with \$40.1 million of the decline being a reduction of federal funds. GDOL officials indicated that federal funds for various services decline in periods of low unemployment, such as the one experienced in the years between the Great Recession and the pandemic.

In addition to the units discussed above, GDOL's IT unit is vital to claims processing. It is responsible for maintaining and updating the information systems used by claimants, employers, and GDOL employees. As shown in **Exhibit 12**, IT personnel declined by approximately 42% during the 2013-2019 period, but the impact of the decline is less clear. Unlike UI benefits and statewide operations, IT was already supported by outside staffing agencies prior to the pandemic. As a result, a decline in agency employees does not necessarily mean an equal decline in staff supporting the function (i.e., staff declines could be offset by increased contractors). As discussed on page 40, IT significantly increased its use of contractors when the pandemic began.

Agency Response: *"GDOL agrees that the number of its employees declined over time beginning in 2012, consistent with other state agencies due to budget cuts, lack of raises for a number of years, and reduced retirement benefits." GDOL stated that it "had less than half the number of employees during the pandemic as during the Great Recession." It indicated that additional administrative funding in the period after the Great Recession would have helped maintain "administrative staffing levels to better meet the challenges of the Pandemic." GDOL also noted that, during the pandemic, many UI staff were paid less than what many claimants received in UI benefits.*

Finding 6: GDOL's staffing actions to address the claims increase were similar to strategies used by other state UI programs.

In response to the increase in UI claims, GDOL took several actions to increase the number of work hours devoted to UI, including redirecting staff, encouraging overtime, hiring contractors, and rehiring retired employees. Staffing strategies alone were unlikely to significantly improve claims processing times because of the manual processing and training required for many aspects of the work.

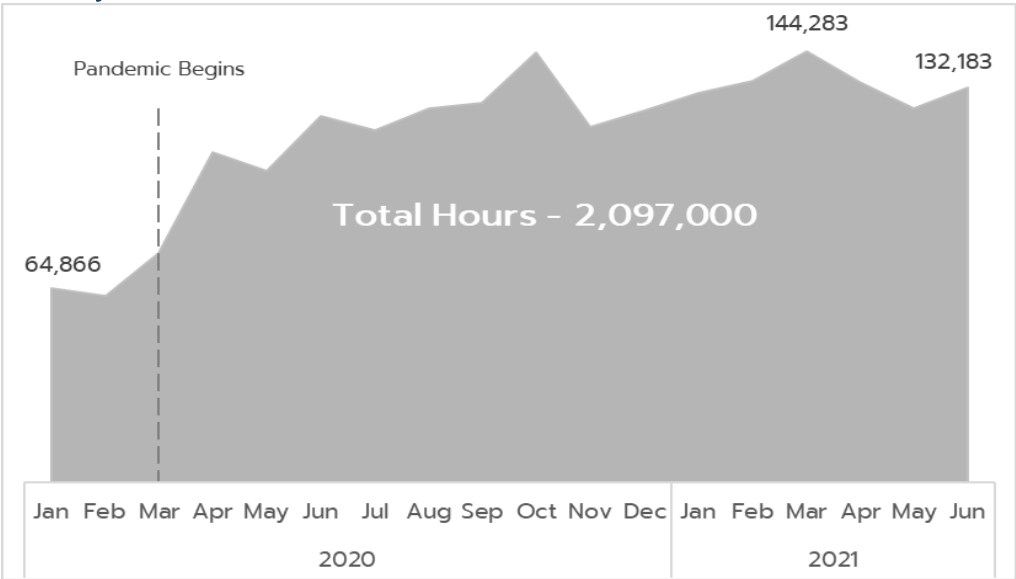
Every state UI program faced a historic increase in claims at the beginning of the pandemic. The increase was larger and quicker than those of a cyclical recession, when an agency can increase staffing over a longer period. Rapidly increasing staff was more challenging due to the amount of training for new employees who make claim determinations. GDOL did not modify the training to accelerate

¹⁹ The fiscal year 2013 budget included a state fund transfer of \$16.8 million from the Governor's Emergency Fund to pay interest on a loan to the Unemployment Trust Fund.

employees’ ability to process claims. Instead, strategies focused on using existing or former staff with UI experience and hiring contractors in support roles.

Over the course of the pandemic, GDOL increased the number of hours devoted to UI claims processing significantly (see **Exhibit 13**). Prior to the pandemic, GDOL staff spent less than 65,000 hours per month on UI claims. After a moderate increase in the pandemic’s first month (March 2020), staff hours for UI increased to approximately 110,000 in April. Hours typically remained between 100,000 and 125,000 in subsequent months, peaking above 140,000 on two occasions. In June 2021, GDOL hours dedicated to UI claims were still double the number in the months before the pandemic. Nearly 2.1 million hours were spent on UI claims between January 2020 and June 2021.

Exhibit 13
Staff Hours¹ for UI Claims Processing More than Doubled During the Pandemic, January 2020 - June 2021








¹ Chart includes regular hours for claims processing staff, as well as additional hours resulting from the staffing actions discussed below.

Source: TeamWorks HCM, GDOL contractor records

To increase staff hours for claims processing, GDOL used many of the strategies common in other states (**Exhibit 14**). We also found a limited number of differences in how the strategies were implemented. Each strategy is discussed below the exhibit.

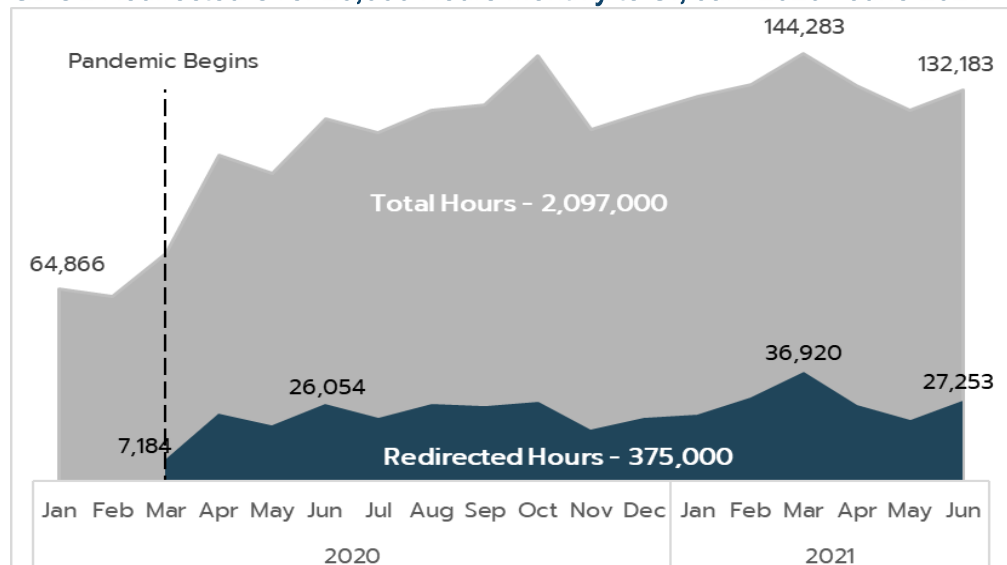
Exhibit 14**GDOL Employed Most Strategies Used by Other States**

Action	Redirect Staff to UI Work 	Use of Overtime 	Use of Contractors 	Use of Retired GDOL Employees 	Significant Increase of GDOL Employees 
Georgia Use	More than 20K hours per month (before overtime) redirected to UI	More than 20K hours per month across GDOL spent on UI	By August 2020, 15K-20K hours per month for UI 8K-15K hours per month for IT No call center	51 retirees hired between April 2020 and mid-2021	GDOL attempted but could not greatly expand staff due to new hires being offset by departures

Redirecting Staff to UI

GDOL officials stated the increase in claims required an “all-hands-on-deck” approach. Prior to the pandemic, UI benefits staff processed claims with support from career center staff who also provided re-employment services. In March 2020, career center staff re-directed significant hours to UI. Staff in other units were also redirected to UI tasks. Those with UI experience helped with claim determinations; others answered phones or helped gather supporting documents.

As shown in **Exhibit 15**, redirected time to UI totaled approximately 375,000 hours (not including overtime) between March 2020 and June 2021. This represents 18% of the total UI hours during the 18-month period reviewed. Beginning in April 2020, the redirection of staff time from their normal duties routinely contributed more than 20,000 additional hours each month.

Exhibit 15**GDOL Redirected Over 20,000 Hours Monthly to UI, Jan. 2020 - June 2021**

Source: TeamWorks HCM, GDOL contractor records

The redirection of staff time occurred throughout GDOL, though most occurred in statewide operations' career centers. Career center staff already devoted a portion of their time to UI but redirected re-employment time to UI when the pandemic began. In February 2020, career center staff charged 22,700 hours to UI. Beginning in April, they typically redirected an additional 15,000 to 25,000 hours to UI each month (before overtime). UI tax personnel were also spending approximately 4,500 monthly hours to administer federal UI programs by fall 2020. See **Appendix E** for total UI hours by program.

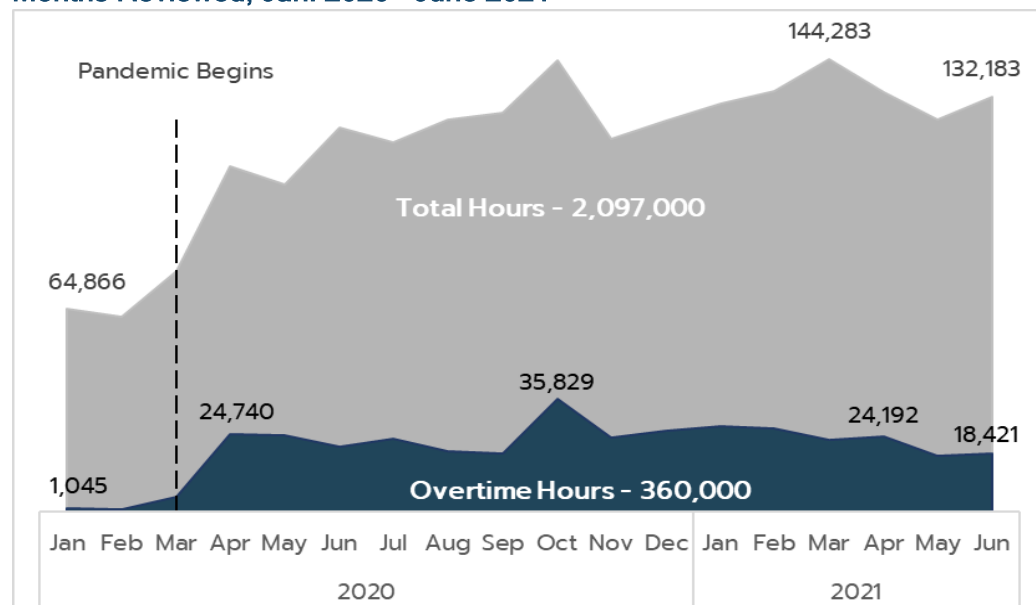
Use of Overtime

According to GDOL, employees were “strongly encouraged” to work overtime to address the increase in claims. The agency recently began limiting the practice by reinstating its practice of requiring division directors to obtain approval before allowing overtime. For our analysis, overtime includes any extra time worked and recorded by salaried or hourly employees. The time may have been compensated or non-compensated.²⁰

After working approximately 2,000 UI overtime hours in the two months prior to the pandemic, GDOL employees logged an additional 358,000 overtime hours between March 2020 and June 2021 (**Exhibit 16**). Beginning in April 2020, overtime frequently exceeded 20,000 hours a month and reached nearly 36,000 in October 2020.

Exhibit 16

UI Overtime Hours Immediately Increased and Remained Above 20,000 in Most Months Reviewed, Jan. 2020 - June 2021



Source: TeamWorks HCM, GDOL contractor records

²⁰ Most employees in Fair Labor Standards Act (FLSA) non-exempt roles were permitted to work overtime. Non-exempt employees must be compensated for overtime, either through additional pay or the granting of compensatory time. FLSA does not require that exempt employees be granted compensation, but compensatory time may be provided.

Career center staff and UI benefits staff accounted for most overtime hours (approximately 288,000); however, more than 70,000 overtime hours were logged by department administration and UI tax personnel. See **Appendix E** for total UI hours by program.

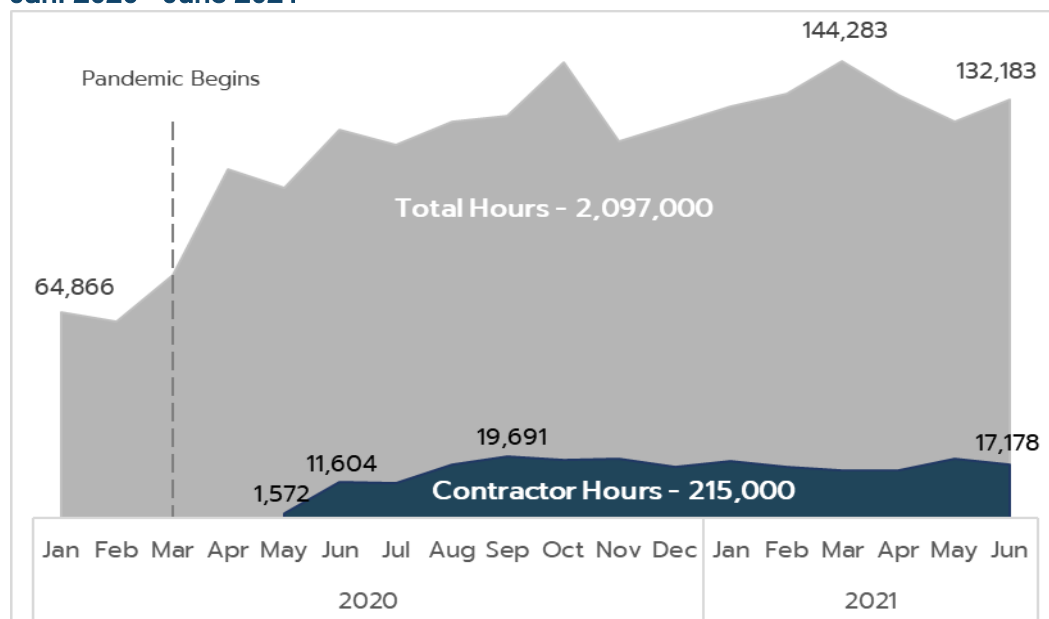
Use of Contractors

Between May 2020 and June 2021, GDOL hired six contract staffing companies to assist with initial claim processing, benefit payments, appeals, and integrity efforts (i.e., combatting fraud). Because contract staff are not permitted to make the actual claim determinations, they served in various support roles. This included data entry, imaging documents, scheduling appeals, fact-finding to resolve discrepancies, and investigating overpayments.

As shown in **Exhibit 17**, UI contractors worked approximately 215,000 hours between May 2020 and June 2021. Contractor hours were approximately 1,600 in May 2020 but are estimated at 15,000 to 20,000 for all months after August 2020. The number of contractors working each month is unknown given the format of GDOL's records.

Exhibit 17

Contractors Began Supporting UI in May 2020 but Hours Peaked in September, Jan. 2020 - June 2021



Source: TeamWorks HCM, GDOL contractor records

While GDOL hired contractors for several UI tasks, it did not contract for call center services. The agency noted a negative experience with a contract call center in the past and stated the program's complexity limits the ability of less-experienced staff to address claimant questions. (See page 41 for more information on customer service staffing.)

While not included in the hours spent on processing claims, GDOL's IT unit also greatly increased its use of contractors during the pandemic. Contracted staff supported the rollout of the new federal programs and other changes made during the pandemic (e.g., ID.me identify verification). In the two months prior to the pandemic, IT contracted for an average of approximately 5,600 hours monthly. Average contractor hours increased to approximately 9,100 for the rest of 2020 and 12,400 for the first six months of 2021. The number of contract employees more than doubled from 37 in January 2020 to 87 in June 2021.

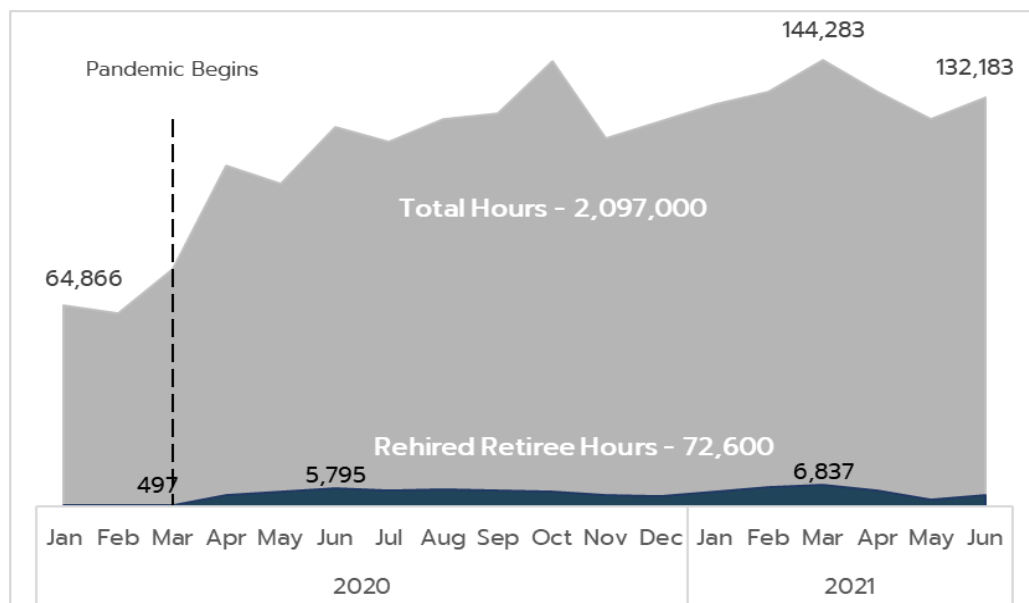
Use of Retired GDOL Employees

To eliminate the need to provide extensive training to new staff, GDOL officials hired retired employees with UI claims processing experience. Statute limits the number of hours that a state retiree can work in an agency covered by the Employees' Retirement System (ERS). The retiree loses retirement benefits for the remainder of the calendar year if their work hours exceed 1,040.²¹ Unlike some other states, Georgia did not waive the statutory work limit for retirees.

GDOL hired 47 retirees between April 2020 and early 2021, most within the first three months of the pandemic.²² As shown in **Exhibit 18**, rehired retirees worked approximately 72,600 hours on UI projects between January 2020 and June 2021. Eight employees worked more than 1,040 hours in 2020 (one exceeded the limit in December), suggesting that the employees continued to work after temporarily losing retirement benefits. As a group, rehired retirees typically worked between 4,000 and 5,000 hours in most months.

Exhibit 18

Rehired Retirees Often Worked 4,000-5,000 Hours a Month, Jan. 2020 - June 2021



Source: TeamWorks HCM, GDOL contractor records

²¹ ERS limits do not restrict the number of hours worked in a week or month; therefore, an employee hired on July 1 could work 40 hours per week through the end of the year.

²² Four retirees were working before March 2020. A total of 51 retirees worked at some point during the 18-month period.

GDOL did not add significant dedicated customer service staff

GDOL did not significantly expand its UI customer service unit or contract for call center services at the beginning of the pandemic. During the period with the highest volume of contacts, responding to calls, emails, and web inquiries was primarily assigned to staff throughout the department, including many with other UI duties, such as claims processing. Officials stated that a decision to expand its customer service unit was made in May or June 2020. While recruiting began in August, GDOL indicated it did not receive enough qualified applicants. A staff of 16, many hired in April 2021, began taking phone calls after a modified three-week training program.

GDOL indicated that it did not contract for call center services due to a negative experience with a contract call center, as well as the program's complexity, which limits the ability of inexperienced staff to address claimant questions. As such, contract staff would not be able to answer the complex questions posed by many claimants.

We found that strategies such as hiring additional agency customer service personnel or contracting for call center services were common among other states we reviewed. Wisconsin increased its customer service unit from 90 to approximately 800 in the first four months of the pandemic by hiring staff and contracting for call services. California, Kansas, and Virginia also added hundreds of staff during 2020. The responsibilities of the contractors may have varied, with some answering basic questions about programs (instead of individual claims) and others answering phone lines dedicated to the new federal programs.

Hiring of New Employees

GDOL hired additional staff in UI benefits and statewide operations during the pandemic. However, employee departures resulted in limited growth in the number of agency employees.

To reduce the impact of recruiting on program staff, the hiring process for UI benefits and statewide operations was changed to decrease program employees' required time. For example, HR personnel conducted interviews on behalf of statewide operations for career center positions. Statewide operations management only needed to approve those selected.

GDOL officials stated that recruiting efforts were challenging due to pay and COVID-19. Specifically, agency officials had difficulty obtaining qualified personnel for a planned customer service center to handle phone calls and staff (or even interns) with a legal background to assist with the appeals process.

TeamWorks HCM data indicates that 137 employees were hired or rehired in those programs between April 2020 and June 2021. However, as shown in **Exhibit 12** on page 34, UI benefits grew by 32 employees between the end of fiscal years 2019 and 2021; statewide operations had 21 more employees. Agency officials stated that employees continued to depart during the pandemic, blunting attempts to increase staffing.

RECOMMENDATIONS

1. GDOL should work with the General Assembly to create an exception to the retiree work limit during periods of high unemployment. In future situations like the public health emergency, GDOL could work with the Office of the Governor to include a waiver in any related executive order.

Agency Response: “GDOL used all available resources in a similar manner that other state UI services did. The most experienced staff were utilized to do claims examining, adjudication, and appeals; retirees were rehired; staff were repurposed; overtime hours approved; and contractors were engaged to fill in the gaps.”

GDOL disagreed with the report’s discussion of the customer service unit. It wanted to clarify that employees throughout the department contribute to customer service, not only the dedicated customer service unit. “At no time did GDOL have only 16 employees dedicated to answering customer calls or providing customer service.” GDOL stated that customer service “has always been and continues to be an agency wide collaborative effort...Each unit and career center continue to have dedicated staff assigned to assist with customer calls.”

GDOL noted that the agency requested funding for additional call centers in 2020 but did not receive it and that federal funding made available during the pandemic was what allowed the eventual expansion of the customer service unit. GDOL reiterated its contention that contract call centers are ineffective, based on a prior unsuccessful experience and conversations with other states that utilized them during the pandemic. They noted that seasoned GDOL employees would be needed to support a contract call center.

GDOL stated it has made a “concerted effort to ‘right-size’ the agency’s statewide operations and align services more efficiently. As part of a larger strategic effort to realize cost savings and make UI more accessible to customers, GDOL is shifting to call centers as the primary point of contact to obtain UI Services rather than physical locations like career centers. This strategic effort preceded the pandemic.” GDOL further stated that, during the pandemic, it “focused on utilizing technology to better assist our customers,” which included use of a dynamic scheduler for scheduling calls with career center staff, a chat bot on the website, online tutorials, and enhanced social media presence.

Recommendation: GDOL agreed with the recommendation and noted that it requested an exception to the retiree work limit through an executive order since the General Assembly was not in session.

Communications

Finding 7: Information available to claimants was not always clear and accurate, which contributed to application errors, processing delays, and increased calls and emails from claimants.

While GDOL expanded communications during the pandemic, some information provided to UI claimants has been unclear or even contradictory. This has resulted in claimants answering application questions incorrectly, misunderstanding actions they need to take, or failing to understand their claim's status. Addressing these issues led to delays in the proper processing of claimants' applications and receipt of benefits. It also requires additional staff resources for increased claimant calls and emails, as well as increased appeals.

Because the UI program is complex, clear and accurate instructions are critical to ensure claimants provide the information necessary to process a claim. This became more important during the pandemic because new federal programs were added and many individuals were filing for UI for the first time. When there are misunderstandings, claimants may answer questions incorrectly or fail to provide required documentation, which typically requires GDOL staff to contact the claimant. Incorrect or incomplete information may cause a claim to be incorrectly denied, resulting in an appeal and benefit delays. Additionally, when communications are unclear, claimants may attempt to contact GDOL for clarification, which requires additional GDOL resources to respond.

During the pandemic, GDOL increased its communications to claimants. The agency added several pages to its website, including a general COVID-19 information page and Frequently Asked Questions pages for COVID-19 eligibility, PUA, and PEUC. A chatbot was also added to automatically answer pre-programmed questions. Additionally, GDOL created a video tutorial that provided claimants information such as how to locate the claim application and a description of initial emails sent after application submission. Finally, GDOL used social and traditional media to provide guidance on claims, including common claimant mistakes and reasons for delays.

The additional communications did not address all issues. Claimants reported that they did not have needed information and could not reach GDOL staff for assistance. In reviewing GDOL's correspondence to claimants, we identified language that was unclear and/or out of date, as discussed below.

Key Communications Are Not Clear

While UI is a complex program, claimant communications should explain the process using non-technical, easy-to-understand language. Best practices for readability suggest an 8th grade level for communications to the public. However, GDOL's UI communications are frequently written at a 12th grade reading level or higher. GDOL has not surveyed claimants or analyzed common errors made by claimants to identify and address areas of confusion.

Additionally, we identified instances of unclear language in key communications, such as the UI application and determination letters, as described below.

- Application Questions** – GDOL staff report that claimants often misunderstand certain application questions. For example, GDOL staff indicated claimants frequently misunderstand the work history question²³ at the beginning of the UI application. If the claimant indicates they have no work history to report, the remainder of the application is skipped. Staff must then call the claimant, verify the error, and complete all remaining application questions based on responses given by phone. In addition, some application questions may be answered illogically (e.g., claimants indicating they are unwilling to work any day of the week). These instances must also be verified with the claimant. If GDOL staff cannot reach the claimant to get accurate information, the claims examiner must decide eligibility based on the information available, which may result in a denial.

During the pandemic, the PUA application included confusing questions related to income verification, as shown in **Exhibit 19**. The first option indicates the claimant agrees to provide proof of earnings after confirming they have no proof of earnings. Additionally, the use of check boxes allows for more than one selection, but the choices conflict and it is not clear what happens if the claimant does not submit supporting documents. When asked, GDOL staff could not clarify the intent of the language used.

Exhibit 19

Unclear Language Used in PUA Application

Proof of self-employment must be submitted to the Department within 21 calendar days from submission of this application. Failure to submit adequate proof of self-employment will require the Department to make a determination based on available information.

Select the option below regarding proof of self-employment. One selection is required.*

Choices conflict, but the use of check boxes allows for more than one choice

Agrees to provide proof of earnings after confirming they have no proof of earnings

Conflicting consequences of failure to provide proof

☐ I was engaged in self-employment immediately before the pandemic and plan to resume full self-employment as soon as possible. I have no proof of earnings but estimate that my earnings during the previous tax year are correct and that proof of earnings will be furnished within 21 calendar days. I understand that failure to furnish such proof will result in a denial of PUA.

☐ If no proof is available, I understand that a field audit of the information provided will be conducted.

☐ I agree to provide a copy of my 2019 tax return.

Source: Application screenshots provided by GDOL

²³ The work history question reads, "Have you worked for any employer(s) in the past 18 months?"

- **Determination Letters** – GDOL letters to communicate monetary and nonmonetary determination decisions do not clearly state whether the individual's claim has received overall approval and what steps remain in the process. While GDOL provides clarification on its website or in the handbook, the letters that communicate eligibility decisions do not provide the claimant with adequate information.
 - **Monetary** – Monetary determination letters do not specify that this first step is to determine whether the individual has sufficient wages to establish a claim. Instead of a clear “yes” or “no”, the letter only shows a weekly benefit amount that represents what the claimant would receive if later determined eligible. Absent additional language, claimants with a weekly benefit amount of \$0 do not always understand that this means their claim has been denied due to lack of wages. Similarly, some claimants with a positive weekly benefit amount do not understand this is the first determination and a nonmonetary determination may be necessary. Instead, they believe this is a final approval and expect to begin receiving payments within days. During the pandemic, some claimants expressed frustration at payment delays when in fact their claim was still awaiting a claims examiner's nonmonetary determination. The claimant handbook describes the steps GDOL takes prior to final approval, but this information is not clearly disclosed in the letter.
 - **Nonmonetary** – Claimants may receive conflicting information when separate nonmonetary determination letters are sent for each eligibility issue identified. Each nonmonetary determination letter addresses a single issue, and the number of issues varies by claimant. For example, the claims examiner could determine the claimant quit their job for good cause (eligible) and determine that they are not available to work because they need to care for a child (ineligible). The second determination supersedes the first, making the claimant ineligible for benefits. However, no letter communicates an overall approval or denial decision, and the claimant could receive the conflicting letters at different times. Clarification about conflicting letters is provided on the website and in the handbook but not in the letters themselves.
- **Claimant Handbook** – GDOL's claimant handbook provides detailed information about the claims process but may be difficult for claimants to follow. The handbook is 60 pages long and is written at an 11th grade reading level. Additionally, the handbook was not updated with policy changes during the pandemic, as discussed below.

Claimants Received Outdated Information During the Pandemic

GDOL did not update all communications to reflect changes made during the pandemic, resulting in inaccurate communications. According to news reports, the conflicting information led to claimant confusion. GDOL staff indicated email correspondence was updated during the pandemic, but letters and the claimant handbook were not.

- **Career Center Closures** – GDOL closed its career centers to the public in March 2020, but various communications still directed claimants to visit a career center to provide documents or address certain eligibility issues. For example, the application confirmation page indicated claimants must visit a career center to complete an applicant status affidavit and provide identification and other documents. Additionally, a letter sent to active claimants in the summer of 2021 instructed them “take this letter to your career center” if still unemployed at the end of their benefit year.²⁴ The letter did not provide an alternative way to address the issue.
- **Work Search Requirement** – In March 2020, GDOL waived the requirement for claimants to search for work. The correct information was provided in the COVID Frequently Asked Questions on the website, but other communications continued to indicate a search was required. For example, the application and claimant handbook indicated claimants must submit work search records to GDOL each week.
- **Expected Time Frames** – During the pandemic, the time for each phase of the claims process took longer than usual, but the time frames posted on the GDOL website were not updated. For example, the Frequently Asked Questions web page indicated that appeals are usually heard within 2 ½ weeks, but GDOL reporting indicated many claimants waited a year or more before the appeal was heard. Clearer messaging could have tempered claimants’ expectations, reducing frustration and the number of inquiries GDOL received about the delays.

RECOMMENDATIONS:

1. GDOL should identify and implement ways to make the application process clearer for claimants (e.g., clarifying language for questions, verification prompts for illogical answers).
2. GDOL should provide plain language explanations in its determination letters.
3. GDOL should use surveys or focus groups to test the clarity of language with claimants and/or employers.

²⁴ Unemployment claims are valid for 52 weeks (a benefit year), after which claimants must file a new claim to receive additional benefits.

4. When changes are made to processes, GDOL should ensure all communications are updated so claimants understand what steps they should follow.

Agency Response: GDOL agreed that information provided to claimants was not always clear but indicated U.S. DOL often requires specific language to be used. It stated that with additional time, it believes that it would be able to produce additional examples of U.S. DOL requiring specific language.

Auditor's Response: Our review concluded that U.S. DOL had not dictated the language in most of the communications we reviewed, based on our review of U.S. DOL program letters to the states and statements made by GDOL staff. We shared this conclusion with GDOL staff during the audit; they expressed no disagreement and provided only the example of language requirements for separation reasons in the PUA application.

Agency Response: GDOL also noted that it expects to be awarded funding under U.S. DOL's plain language initiative that will allow it to speed up its recent work in this area. It also stated that it "initiated a plain language project with the National Association of State Workforce Agencies (NASWA)" that include templates for claimant handbooks using plain language and short video scripts of the UI Claim process. The first video will be on the GDOL website, with a plan "to integrate into the UI online claims application."

GDOL noted that it used a "multi-faceted communication approach to explain and communicate UI processes and changes to the programs." GDOL indicated it communicated UI processes and program changes through various means—social media, website, podcasts, conference calls, press conferences and releases, and videos. Finally, GDOL disagreed that there is a "conflict in the language used in the PUA Application."

Recommendations 1 and 2: GDOL indicated U.S. DOL had only recently begun allowing plain language in determination letters. It added that it will be modifying claimant communications but stated that "this alone will not solve all problems as customers often do not fully read the communications sent" to them.

Recommendation 3: GDOL agreed "that use of surveys or focus groups can test the clarity of language."

Recommendation 4: GDOL stated that every communication would be updated in an ideal world but that it is not cost effective to update permanent documents with temporary information. Instead, it said it had "made various program changes and employed a multi-faceted communication approach in an effort to reach every claimant."

Policy Changes





Finding 8: GDOL adjusted policies to reduce claims processing times but could have considered additional steps.

GDOL modified several policies to address the increased claim volume during the pandemic. Significant actions included requiring employers to file claims for certain claimants and waiving the work search requirement. Though GDOL could have implemented additional policy changes that would have reduced delays for some, it is unlikely that they could have prevented all delays. Additionally, some policy changes used by other states may not have been advisable. It should be noted the discussion below is limited to policies and processes; actions related to staffing, technology, and communications are discussed in other findings.

The significant increase in UI claims required states to consider modifying policies and processes so claimants received the assistance they needed in a timely manner. However, any changes to UI policies were limited by federal and state requirements to ensure only eligible claimants received benefits.

We identified two significant GDOL policy changes that helped reduce claims processing times, as shown in **Exhibit 20**. We also reviewed other states’ practices and identified additional changes that could have been incorporated to further reduce delays. The surge in claims early in the pandemic led to an increase in delayed payments nationwide. We found no policy change that would have prevented all delays.

Exhibit 20
Georgia Implemented Some Policies to Reduce Delays

Feature	Employer Claim Filing 	Work Search Waiver 	Single Application 	Use of Redetermination 
Georgia Use	Implemented – Employers required to file partial unemployment claims on behalf of employees	Implemented – Waived claimants’ requirement of weekly job contact reporting	Not Implemented – U.S. DOL allowed the use of a single application for regular UI and PUA	Not Adequately Communicated – Claimants can request additional reviews of monetary or nonmonetary determinations

- **Employer Claim Filing** – GDOL required employers to file partial unemployment claims on behalf of their employees to help speed claims processing. On March 16, 2020, GDOL mandated that employers file partial unemployment claims for employees with

Partial unemployment –

A claim resulting from reduced hours or a temporary layoff, due solely to lack of work (i.e., employer has less or no work for the employee)

reduced hours or temporary layoffs resulting from the public health emergency. The rule also mandated online filing (eliminating the mail-in option) and expanded the process to part-time employees.

Employer-filed claims have fewer steps in the eligibility review process, which typically allows benefits to be paid more quickly. When the employer files a partial unemployment claim, it acknowledges that the claim has resulted from lack of work. As such, GDOL staff no longer need to contact the employer or interview the claimant to verify the reason for unemployment. The benefits and problems that occurred with employer-filed claims are discussed further on page 51.

- **Waiving the Work Search Requirement** – GDOL waived the requirement that claimants make three reportable job contacts (e.g., submitting a job application or resume) each week to remain eligible for unemployment. GDOL implemented the emergency rule on March 16, 2020, after U.S. DOL allowed states to waive the work search requirement. The waiver eliminated the need for GDOL staff to audit work searches and investigate deficiencies, freeing staff to work on claims processing instead. Given the state of the job market and ongoing public health concerns, work searches may have caused unnecessary work for both claimants and staff.
- **Single Application for Regular UI and PUA** – The federal Pandemic Unemployment Assistance (PUA) program provided UI benefits to workers who are not normally eligible, including the self-employed, gig workers, and independent contractors.²⁵ Because PUA was only available to claimants not eligible for regular UI, states had to make a UI determination first. U.S. DOL allowed states to use a single application for regular UI and PUA. By adding questions to their existing regular application, a state could evaluate claimants for PUA as soon as it determined they were ineligible for regular UI. A claimant was not required to take additional action.

GDOL used separate applications for each claim type, which required claimants to first apply for and be denied for regular UI before they could apply for PUA. Additionally, some claimants appealed the regular UI decision before they were approved for PUA, which contributed to the backlog of appeals. GDOL indicated it had already begun creating a separate PUA application and did not adjust plans when U.S. DOL updated its guidance.

- **Use of Reconsiderations and Redeterminations** – If a claimant disagrees with a monetary or nonmonetary determination, they can request a reconsideration or redetermination, respectively. Reconsiderations or redeterminations require fewer resources than an appeal and provide GDOL staff the opportunity to educate claimants

²⁵ Georgia ended its participation in PUA and other federal programs effective June 27, 2021.

Reconsideration –
Additional review of a
monetary determination

on the eligibility decision, which can reduce an appeals backlog.²⁶ The options would have been particularly helpful during the pandemic, when GDOL reported difficulty hiring appeals officers with the necessary experience and/or legal background. By contrast, reconsideration or redetermination is handled by the claims processors or examiners who made the initial decision.

Redetermination –
Additional review of a
nonmonetary
determination

While Georgia does allow for reconsideration or redetermination, it does not sufficiently notify claimants of this option. Rather, GDOL's determination letters indicate the decision is final unless the claimant files an appeal within 15 days. The claimant handbook and the initial application's confirmation page mention the option for reconsideration if wage information is incomplete, but GDOL does not notify claimants of the option for redetermination.

It should be noted that a request for reconsideration or redetermination must be filed within 15 days of the decision, so it cannot be used retroactively to address the current appeals backlog. (As of October 28, 2021, approximately 61,000 appeals were awaiting processing, although some portion will be determined invalid.)

In addition to the items discussed above, some states reduced eligibility reviews to speed benefit payments; however, this led to overpayments and increased fraud. For example, California and Virginia suspended review of several eligibility issues, such as determining whether a claimant who reported voluntarily quitting a job did so with good cause. As a result, some ineligible claimants were paid benefits. Because U.S. DOL did not waive these eligibility requirements, states that took these or similar actions must review these past questionable claims, which redirects resources from claims processing. Claimants found ineligible typically must repay their benefits, which they may have already spent. Additionally, states with significantly relaxed eligibility reviews became easier targets for organized fraud. If reviewed claims are found to be fraudulent, the agencies may be unable to recover the benefits paid.

Unlike some other states, GDOL did not reduce its eligibility reviews. While conducting the reviews required time and resources, it likely prevented payments to ineligible claimants and reduced the likelihood of fraud.

RECOMMENDATION

1. GDOL should include language in the determination letters to notify claimants of the option to request a redetermination or reconsideration.

Agency Response: “GDOL agrees it adjusted policies and these changes greatly helped GDOL process claims more quickly.” It pointed to employer-

²⁶ A claimant can still request an appeal after a reconsideration or redetermination.

filed claims and work search waiver included in the finding, as well as IT-related changes noted on page 29.

GDOL disagreed that a single application for UI and PUA would have reduced processing times, arguing it would have delayed the launch of the PUA program and slowed down the process for those not filing for PUA. It also stated that the report contained no evidence that a single application reduced processing times in other states.

Recommendation: *GDOL disagreed with the recommendation to notify claimants of the option for redetermination or reconsideration. It stated the language is already included in the monetary determination letter and indicated that a pilot of redeterminations was counterproductive and unsuccessful. It stated that greater use of the redetermination or reconsideration process would not save time but only shift work from one unit to another.*

Auditor's Response: *Both the monetary and nonmonetary determination letters tell claimants that GDOL's determination is final unless an appeal is filed. There was no mention of redetermination or reconsideration in the sample letters GDOL provided to the audit team. As noted in the report, other communications mention the option for reconsideration, but GDOL does not notify claimants of the option for redetermination, even though it is allowed by state law. Additionally, GDOL officials regularly pointed to the difficulty in staffing appeals positions; therefore, shifting some level of work from appeals to claims examiners seems reasonable.*

Finding 9: GDOL's requirement that employers file claims on behalf of certain claimants led to faster processing of many claims but to delays or overpayments in some cases.

When unemployment claims began to increase, GDOL required employers to file claims for employees with reduced hours or temporary layoffs due to lack of work. The change shifted responsibility for the claim from claimant to employer, which eliminated some verification steps and allowed GDOL to process claims more quickly. However, if employers did not file as required or had incomplete information on their employees, payment delays or improper payments could occur.

In March 2020, GDOL issued emergency rules that expanded the use of employer-filed claims (**Exhibit 21**). Before the pandemic, employers could file unemployment claims for their full-time employees during periods of partial unemployment, when the employee's hours are reduced to less than full-time or when the employee is laid off temporarily. These employer filings were optional and could be filed online or by mail. However, during the pandemic, GDOL required employers to file online for all applicable employees, including part-time employees. At the outset of the pandemic, GDOL implemented multi-claimant upload capabilities that allowed employers to file online for multiple employees simultaneously by uploading a spreadsheet, instead of submitting a separate form for each employee or mailing a disk with multiple employee claims.

Exhibit 21**GDOL Expanded Employer-Filed Claims During the Pandemic**

	Pre-Pandemic	During Pandemic ¹
Applicable claimants	Full-time employees	Full-time and part-time employees
Work status	Reduced hours or temporary layoff	
Maximum weeks for temporary layoffs	Typically 6, up to 10 may be allowed	Unlimited
Employer filing	Optional	Required
Filing method	Online or mail	Online only
Reason for unemployment	Lack of work	
¹ Table shows rules in place at the beginning of the pandemic. In July 2020, employers were no longer required to file for part-time employees, and pre-pandemic requirements were fully reinstated in March 2021.		
Source: GDOL rules		

The rule change increased the proportion of claims filed by employers. GDOL reported that the percentage of claims filed by employers rose from approximately 47% of claims in January and February 2020 to 73% of claims in March to May.

Expanding employer-filed claims helped reduce the claims backlog by allowing GDOL to process claims more quickly with fewer staff resources. For these claims, the employer acknowledges that a lack of work led to the reduced hours or temporary separation, which eliminates the GDOL staff resources and time needed to verify the claimant is unemployed through no fault of their own.²⁷ This would allow claimants to receive their first payments more quickly. Additionally, a May 2020 change allowed claimants who were permanently laid off to take over their employer-filed claims. This conversion eliminated the previous need for claimants to refile their own claim and restart the process.

While employer-filed claims helped speed claims processing, it created problems for some claimants. As described below, payments were delayed when employers did not certify each week as required, and some ineligible individuals received payments when an employer filed on their behalf. GDOL could not provide the audit team the data necessary to evaluate the extent of these issues.

- **Payment Delays** – Claimants experienced interruptions in their benefit payments when employers did not consistently certify on their behalf. Employers were required to certify weekly that their employees were still eligible for unemployment. Some employers instead certified based on their payroll cycle (e.g., biweekly) or stopped certifying entirely. Because the claim was filed by the employer, the claimant could not certify on their own behalf. Instead, the claimant was

²⁷ When a claim is filed by the claimant, staff typically request a separation form from the claimant and/or send the employer a questionnaire to be returned within 10 days. A claims examiner may also interview claimants and employers before approving or denying the claim.

Claimants laid off
from part-time jobs
received benefits,
despite having other,
full-time employment

instructed to contact their employer to either resolve the issue or request the claim be converted to an individual claim.

- **Overpayments** – Some individuals with employer-filed claims received benefits even though they were not eligible. During weekly certifications, employers were asked to attest that their employees had no additional earnings. However, employers may not have devoted the resources to ensure they had this information. As a result, some claimants incorrectly received benefits, despite having other employment that should have disqualified them.

Overpayments impact both GDOL and the recipients. If claimants received benefits they were not eligible for, GDOL staff must investigate and request the benefits be repaid. Additionally, claimants must pay taxes on unemployment benefits. Primarily due to this issue, GDOL created a portal for claimants to report and repay overpayments in February 2021.

These problems can largely be attributed to the design that shifted primary responsibility for claim filing and weekly certifications from claimants to thousands of employers. Employers did not have the same incentive as claimants or the knowledge of claimants' other sources of income. While GDOL provided guidance to employers, if even a small portion of employers did not adhere to the guidelines, a significant number of claimants could be impacted. In December 2021, GDOL modified the employer-filed claim process to require additional claimant responsibility prior to payment. Claimants must verify their identity and answer other questions, though employers remain responsible for weekly certification of continuing claimant eligibility.

Agency Response: “GDOL agrees that ‘employers file claims on behalf of certain claimants led to faster processing’ but disagrees that it led to delays or overpayments in some cases.” GDOL stated that delays only resulted if employers entered incorrect information or did not certify, and it indicated that the overwhelming majority did not have any issues. “When an employer stopped filing, it was usually because the claimant refused to return to work.” GDOL also indicated that, during the pandemic, 80% of overpayments were associated with claimant errors and 5% from employer errors.

Auditor's Response: The report clearly describes the issues that individuals experienced related to employer-filed claims, including those GDOL mentioned in its response. The audit team intended to evaluate the extent of these problems, but due to data limitations described on page 16, we were unable to do so. The figures cited by GDOL may provide insight into the extent to which employer errors contributed to overpayments, though we do not have enough information to validate the classification of errors. In addition, the figures cited relate to overpayments, not to any payment delays experienced by claimants.

Finding 10: Career center closures allowed staff to focus on claims processing but increased challenges for claimants.

GDOL career centers have been closed to the public since March 2020. While GDOL contends the closures better served UI claimants because staff could focus on claims processing, individuals were also unable to access career center resources or to seek answers to UI claim questions.

GDOL operates 41 career centers²⁸ that typically provide in-person UI claims assistance and re-employment services throughout the state. Re-employment activities include holding job search workshops, assisting with resumes, and providing veterans-specific services. Individuals could also visit a career center to file UI claims using on-site computers, ask questions about their claim, or submit required documentation to support a claim. According to GDOL staff, most other states do not have similar in-person UI services.

GDOL closed its career centers to the public on March 18, 2020—four days after the governor declared a public health state of emergency. GDOL indicated the career centers were closed to allow staff to focus on processing claims and communicating with claimants via phone and email. Additionally, the closures helped protect the health and safety of agency staff and the public. GDOL has since reopened some career centers on an appointment basis. While the plan was to provide only re-employment services, GDOL officials said that both re-employment and UI services may be provided.

46%

UI filings made
in career centers
prior to
pandemic

While GDOL indicated that career centers are not necessary for UI, claimants visited career centers more than 600,000 times in 2019 and filed many claims in person. Before the pandemic began (2017-2019), the largest proportion (46%) of initial UI claims were filed at the career centers. During the pandemic, however, filing shifted primarily to online claims and GDOL-mandated employer filing. The percentage of claims originating by phone remained relatively small.

While GDOL indicated it could assist claimants more efficiently remotely than in person, career center closures created challenges for those filing claims. For example:

- **Eliminated Source for Answers** – In addition to eliminating a method by which claims could be filed, career center closures removed a source of contact for claimants with questions or concerns. Without the career centers, claimants could attempt to contact GDOL via phone, email, or web inquiry. However, claimants reported that they were frequently unable to reach GDOL through these methods and that career center phone numbers went straight to voice mail. As discussed in the finding on page 56, GDOL officials acknowledge that they were overwhelmed by the volume of contacts, which made it difficult for many claimants to obtain or share necessary information.

²⁸ One career center in Cairo was closed permanently during the pandemic.

- **Less Secure Documentation Submission** – Before the pandemic, GDOL frequently required claimants to visit career centers to provide certain documents, such as an employer separation form or identity verification, which may include the claimant's Social Security Number or confidential tax or wage information. Because claimants had previously provided GDOL these documents in person, many documents were sent via less secure methods, such as email or fax. GDOL has since implemented ID.me for most identity verification and created an option on the claimant portal to upload certain documents, such as PUA income verification. However, other sensitive documents are still sent via email or fax.
- **Reduced Access to Technology** - In addition to filing UI claims, individuals may use career center computers to prepare resumes, conduct job searches, and research employers. For individuals without internet access and computers, the closures presented a particular hardship. Poor and rural individuals are most likely to lack these resources and would have been most affected by the closures. GDOL indicated staff provided some re-employment services virtually.

It should be noted that GDOL did not update all communications with the closure information, as noted on page 46. As a result, claimants were still directed to visit career centers to file certain types of claims or provide required documentation.

Agency Response: *GDOL disagreed with the use of the term “closed” and stated that the career centers continued to provide services throughout the pandemic. It indicated it was better able to meet customers’ needs by transitioning “from a primarily in-person service delivery model to the more modernized virtual model used by most states.” It further stated it “carefully evaluated, strategically adjusted, and intentionally implemented a modernized service delivery model throughout the pandemic.”*

GDOL contended that the new model had a number of benefits. It allowed the agency to address the volume of claims and protected both staff and the public from greater exposure to the COVID-19 virus. The agency noted that it received many violent threats, that staff were threatened while leaving career centers and within the community, and gunshots were fired into career centers at night. “In light of these challenges, GDOL stands by the service delivery model throughout the pandemic, having leveraged virtual and in-person services as the situations required.”

Finally, GDOL noted that other agencies were still closed to the public but GDOL “resumed in person appointments at career centers in October 2021.” GDOL later added that it will serve individuals who show up at a career center without an appointment.

Auditor’s Response: *The finding is intended to acknowledge both GDOL’s reasoning for closing the career centers to the public and the impact it had on claimants, not to advocate for a particular approach. Because the career centers had been an integral part of GDOL’s UI processes before the pandemic, the sudden elimination of in-person services would clearly impact those who had used or depended on them.*

Customer Service

Finding 11: The need for claimant assistance grew exponentially during the pandemic, but many claimants were unable to obtain a response.

As claims surged during the pandemic, claimant inquiries to GDOL increased significantly. Many claimants were unable to contact GDOL using any channel (phone calls, emails, and web inquiries), leading to claimant frustration and more inquiries. It also likely led to the filing of duplicate claims and unnecessary appeals. While some information is available on the volume of contacts, GDOL does not track whether most claimants receive a response to their inquiries. This prevented us from a comprehensive evaluation of response rates and timeliness.

Based on web inquiries, claimants had questions about benefit amounts, payment issues, claim status, and PUA.

Claimants needing assistance can use a variety of methods to contact GDOL. This includes calling one of the local career centers or a central UI unit (e.g., appeals, interstate claims), as well as scheduling a callback appointment to speak with a staff member. Claimants can also send an email, web inquiry, or fax to a career center or central UI unit. As described below, the volume of requests across all channels increased significantly during the pandemic.

While data is not available to evaluate GDOL's responsiveness,²⁹ news reports indicate many claimant inquiries were unaddressed. Additionally, thousands of web inquiry comments indicated that claimants were unable to reach GDOL through any method. GDOL staff indicated the agency did not have the capacity to answer every inquiry due to the unprecedented volume. Factors discussed in other findings—such as delays in processing, limited information about claim status, and unclear communications—contributed to the volume increase.

Unaddressed inquiries about claim status likely led to claimant frustration, improper denials, and additional work for GDOL. Many claimants unable to reach GDOL staff filed duplicate claims or invalid appeals (before there was a determination to appeal) in an attempt to obtain benefits. Other claimants were unable to reach staff to provide information needed for claims processing, which could lead to a denial based on incomplete information and an appeal of that decision. Both situations resulted in frustrated claimants, payment delays, and additional work for GDOL.

Phone Calls

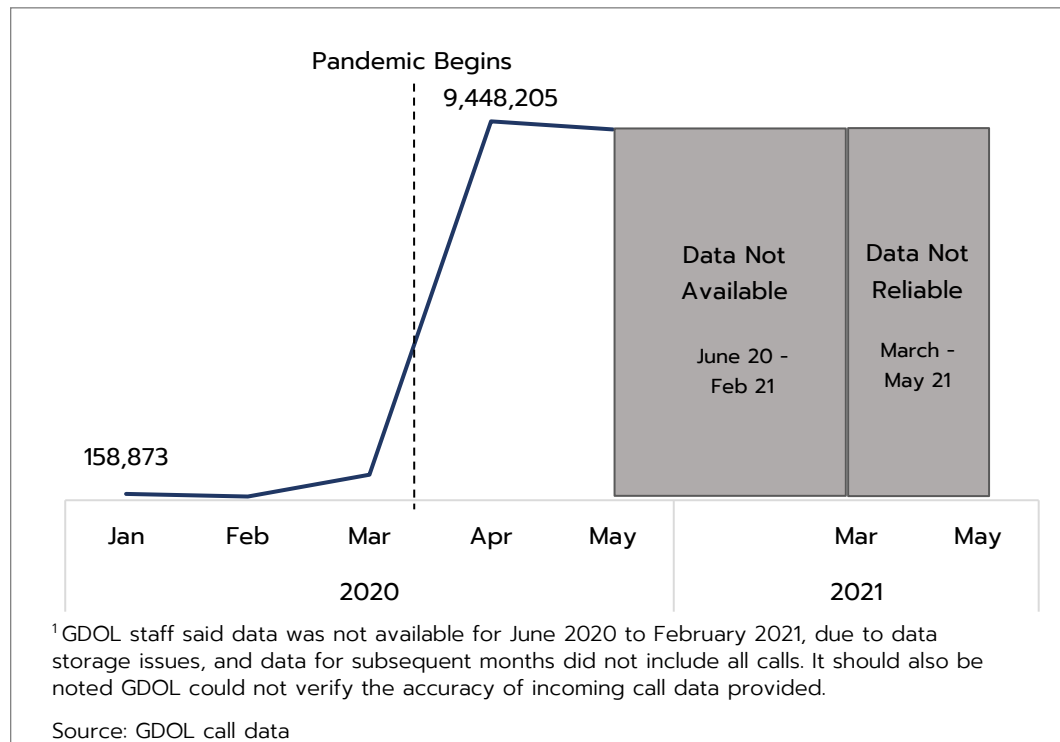
GDOL experienced a significant increase in call volume when the pandemic began. As shown in **Exhibit 22**, GDOL received millions of calls during the pandemic. In March 2020, the number of calls reached approximately 635,000 — nearly six times more than the prior month's total. Volume grew to 9.4 million calls in April and remained above 9.0 million in May. Answering all calls received in April would have required each of the 670 career center and central UI benefits staff members to answer approximately 672 calls per day, in addition to

²⁹ GDOL provided volume data for most contact types (with the exception of fax). However, it could not provide data to calculate response rates for methods other than phone calls. Staff generally respond to web inquiries and emails by phone, but data limitations prevented us from matching the outgoing calls to the original inquiries.

processing claims. As noted in the exhibit, call volume was not available for much of the pandemic. GDOL could not provide data on calls received between June 2020 and February 2021, and the data provided for subsequent months was not reliable because GDOL stopped tracking certain types of calls, as discussed below.

Exhibit 22

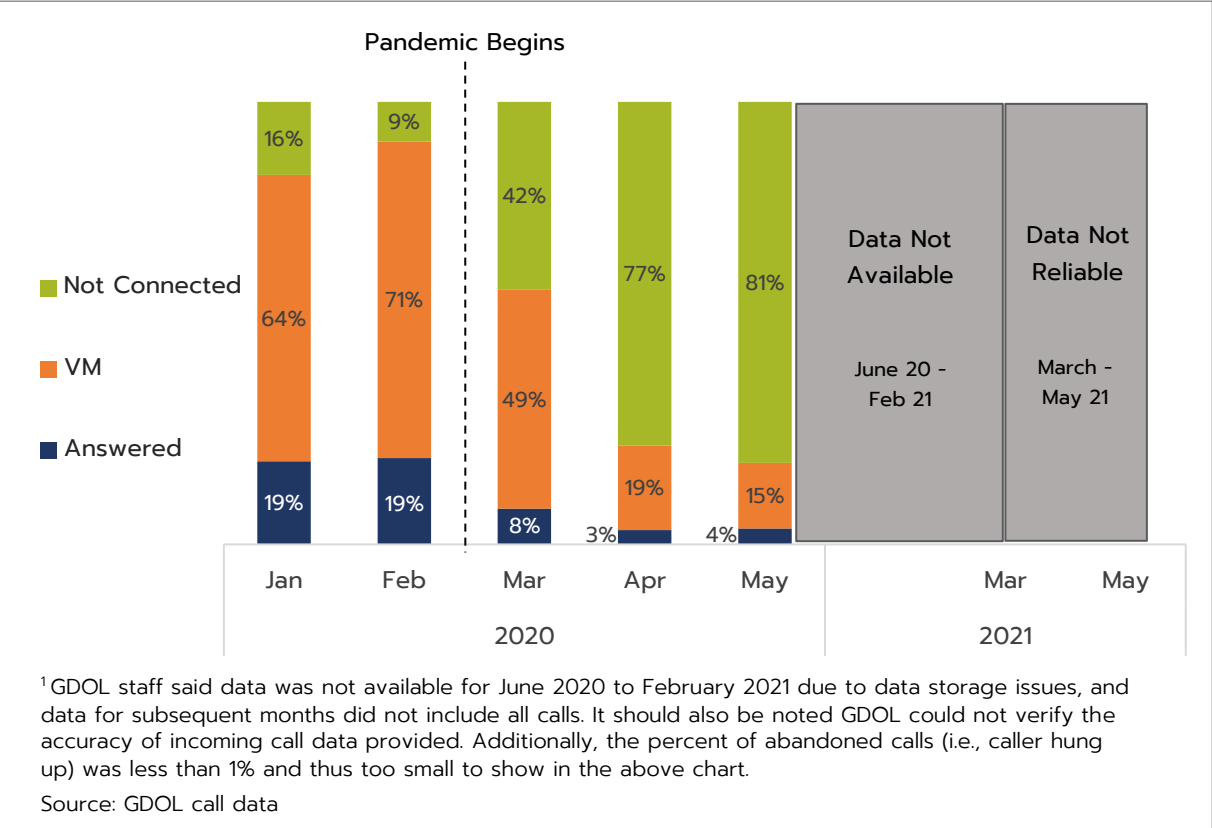
UI Call Volume Increased Significantly Early in the Pandemic, January 2020 - May 2020¹



During the first half of 2020, most calls went unanswered; however, data limitations prevented us from evaluating call outcomes for later time periods. In the two months before the pandemic began, GDOL answered approximately 19% of incoming calls—most calls (67%) were sent to voice mail. The answer rate fell early in the pandemic, with only 4% of calls being answered by GDOL staff.³⁰ Most calls (78%) never reached a person or voice mail due to system capacity. These calls are shown as Not Connected in **Exhibit 23**. GDOL staff indicated that they expanded system capacity in May 2020 and hired additional dedicated customer service staff in April 2021. We were unable to verify the impact of these actions. GDOL stopped tracking calls that were Not Connected or Abandoned (i.e., caller hung up), so the current percentage of calls that GDOL answered or sent to voice mail is unknown.

³⁰ It should be noted that many other states had low answer rates during the pandemic. For example, Virginia answered 6% of calls it received in June 2020.

Exhibit 23
Most Calls Went Unanswered Before and During the Pandemic, January 2020 - May 2020¹



Data limitations also prevented us from analyzing additional call performance. GDOL does not track the calls it makes in response to voice mails, preventing us from evaluating response rates and timeliness. GDOL also does not track hold times.

Scheduled appointments with GDOL were difficult to obtain

In November 2020, GDOL created an online appointment system that guarantees a callback from GDOL staff to further assist claimants. Beginning each Monday at 8:00 a.m., individuals can schedule an appointment using GDOL’s online Dynamic Scheduler on a first-come, first-serve basis. The number of appointments each week is contingent upon staff schedules.

Between November 2020 and July 2021, there were approximately 38,200 Dynamic Scheduler callback appointments—an average of 980 calls per week. However, the limited number of appointments filled up quickly, typically within 10 minutes. By late September 2021, appointment scheduling windows stayed open for several hours, which likely indicates it had become easier to reach GDOL staff.

Approximately 5,200 appointments were scheduled for November 2020 (when slots first became available). This dropped 20% to approximately 3,800 by July 2021. GDOL staff indicated that the number of appointments were reduced so that staff could better manage the incoming career center calls.

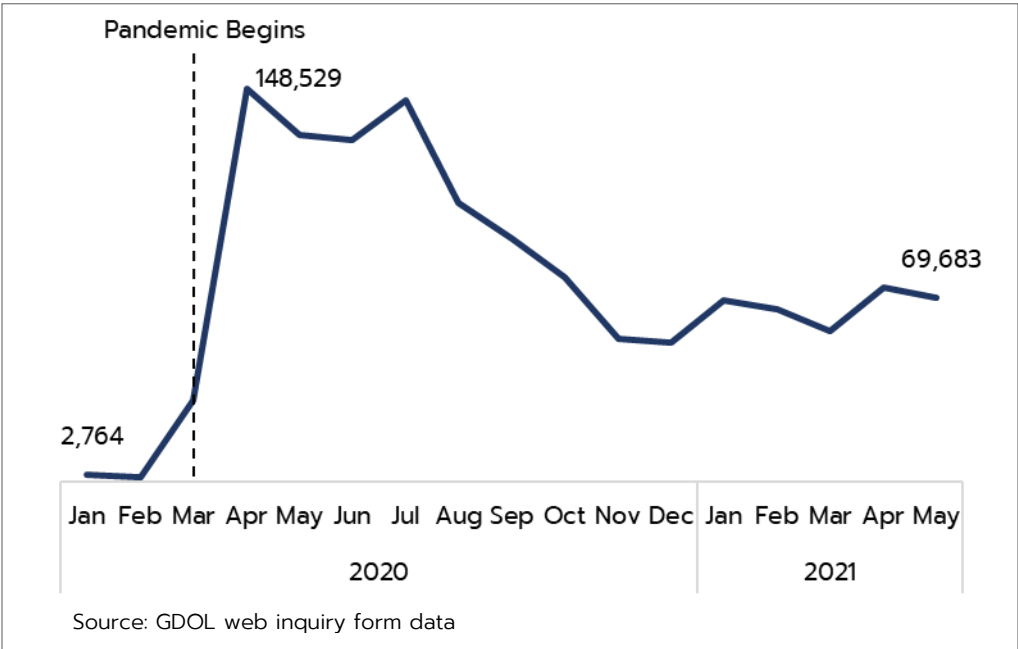
Web Inquiries

Claimants can also request assistance by submitting contact forms, or web inquiries, posted on GDOL’s website. Completed forms are directed to specific offices or subjects and are forwarded to the respective GDOL email inbox.

The number of web inquiries GDOL received grew significantly at the onset of the pandemic. As shown in **Exhibit 24**, between March 2020 and May 2021, GDOL received approximately 1.3 million UI web form inquiries. The number of submissions increased from nearly 1,800 in February 2020 to nearly 150,000 in April.

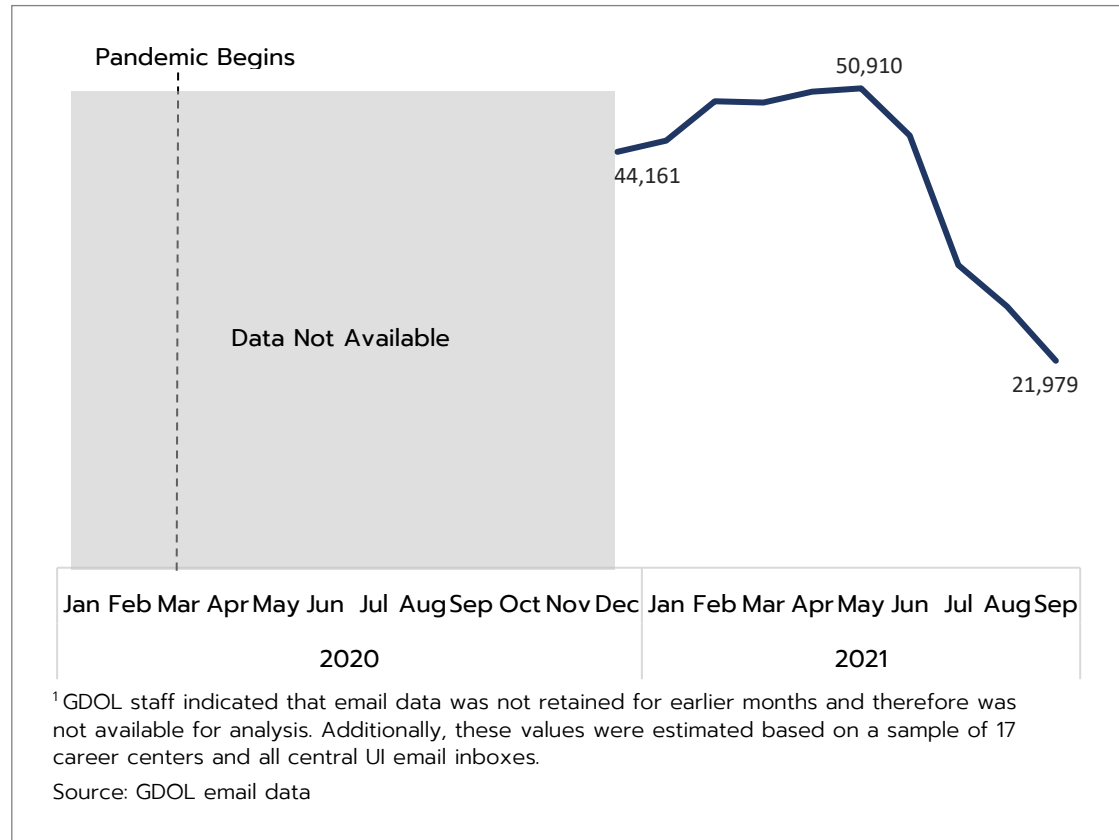
Exhibit 24

Web Inquiries Increased Significantly at the Beginning of the Pandemic, January 2020 - May 2021



Emails

Due to GDOL’s retention policy, we were unable to analyze the number of emails received in the early months of the pandemic. As shown in **Exhibit 25**, however, we estimate that GDOL received an average of 48,000 emails between December 2020 and May 2021, with monthly decreases beginning in June 2021. (As shown in **Exhibit 24**, for a similar method of written communication to GDOL—web form inquiries—early 2021 volume was less than half of the peak in the spring of 2020.) This estimate is based on a sample of 17 career centers and all central UI email inboxes.

Exhibit 25**Email Volume Fell in Mid-2021, December 2020 - September 2021¹**

Agency Response: “GDOL agrees that the need for claimant assistance grew exponentially during the pandemic.” It stated that it was not able to answer every live call but “returned voice mails, met with claimants virtually, responded to emails, and had live chats with claimants.” It further stated that when the agency responds to phone calls by another method (e.g., email), the phone system would not capture the response.

GDOL stated that it had implemented new call software just prior to the pandemic and the contracted storage was quickly filled when the surge in calls occurred. When the system was upgraded, the vendor did not turn on an important reporting mechanism, causing potential inaccuracies in the data. GDOL did not believe accuracy of the call data analysis showing 78% of calls were dropped.

GDOL stated that customers were calling phone lines beyond those used in the analysis; therefore, the incoming call volume was “most likely exponentially higher than what was used...which would make the percentage of calls answered and serviced significantly higher than any analysis has captured.”

Auditor Response: The audit team used call data and data definitions provided by GDOL and discussed the methodology with agency staff in advance. The staff expressed no concerns. Results were shared with UI management, though they acknowledged they

did not know the agency's call volume or outcomes (see need for data discussed in finding 2) and could not speak to the accuracy of the results. We deemed the call periods reported to be sufficiently reliable, partly due to the consistency with GDOL statements (large increase in calls, calls not connected, few calls answered). GDOL officials are unable to determine the accuracy of the results because they were not monitoring customer service data when we began our inquiry.

Finding 12: GDOL does not have systems in place to track claimant inquiries, which leads to unfulfilled requests, delays in claims processing, and additional inquiries.

GDOL does not have systems in place to ensure that claimant inquiries have been effectively and efficiently addressed. The large volume of inquiries during the pandemic coupled with a decentralized customer service system led to customer service failures. While many claimants' emails, web inquiries, and voice mails went unanswered during the pandemic, others may have received responses from multiple GDOL staff.

GDOL has a strategic goal to provide claimants with high-quality and responsive services that exceed customer expectations. For UI, this means operating a system that ensures claimants understand whom to contact and that their inquiries receive a timely response. Many organizations centralize incoming calls to fewer phone numbers, then redirect the call to the most appropriate personnel to receive and respond to the request.

GDOL does not currently have a customer relationship management (CRM) system to monitor claimant communications. Without a dedicated system for tracking customer responses, staff instead review notes in the UI claims management system to determine whether a claimant has been contacted. Some claimants received multiple follow-up calls from different staff if the call was not documented, they had not yet filed a claim, or notes were unclear. This caused confusion for claimants and duplication of effort for GDOL staff. Many other claimants did not receive any response—for example, approximately 227,000 claimants sent multiple web inquiries, indicating their first inquiry was not addressed.

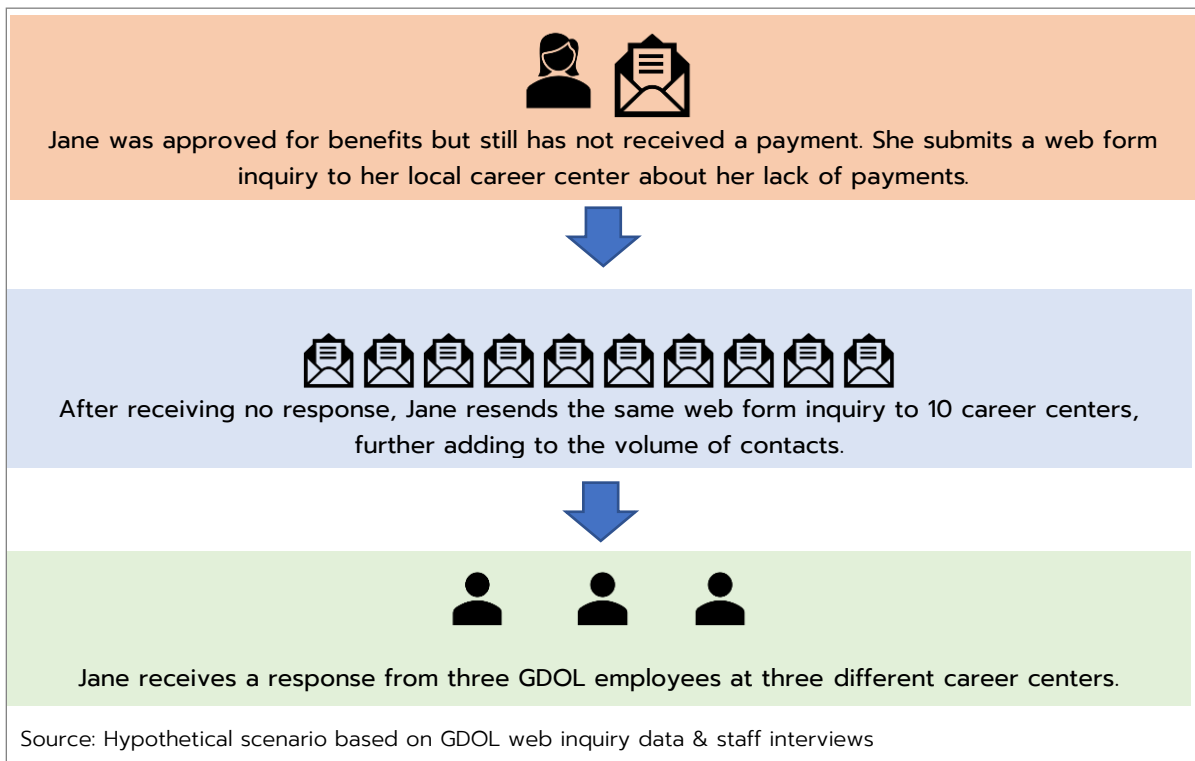
Ensuring that all customer inquiries are addressed is made more challenging by the large number of contact points for the public. While other states' labor departments and Georgia agencies have centralized contact information, GDOL publishes more than 150 UI contact points on its website and in correspondence. The large number of contact methods encourages claimants to call multiple phone numbers and email multiple career centers.

GDOL publishes more than 150 UI contact points

During the pandemic, claimants reached out to several different points of contact requesting assistance, which created additional work for GDOL staff. For example, approximately 610,000 claimants called more than one GDOL phone number between January and May 2020. As shown in **Exhibit 26**, this increased the volume of inquiries and led to duplication of effort, which further strained staff resources needed to process claims and respond to contacts. As discussed on page 56, unanswered claimant inquiries led to processing delays, duplicate claims, and invalid appeals.

Exhibit 26

Decentralization Increased Contact Volume and Caused Confusion for Claimants



GDOL attributed the lack of tracking to limited funding and antiquated technology. However, staff indicated they are taking steps to create a centralized UI number and implement an integrative CRM system that will track responses.

It should be noted that tracking responsiveness will enable GDOL to better monitor customer service operations, which will help inform management decisions regarding staff workloads and hiring. This can further improve responsiveness.

RECOMMENDATIONS

1. GDOL should develop a system to track which contacts have received a response to ensure timely responses and to minimize duplication of effort.

2. GDOL should centralize communications to improve efficiency.

Agency Response: *“GDOL agrees customer service system limitations did not permit comprehensive tracking of claimant inquiries,” but it stated that it “lacked sufficient funding prior to the pandemic to upgrade the telecommunications system.”*

Recommendation 1: *GDOL agreed and is implementing an improved customer service system. “The solution leverages artificial intelligence, telephony software and hardware upgrades, and the implementation of a customer relationship management system. This multi-tool approach will allow GDOL to better serve customers by enhancing self-service options, leveraging technology to strategically route customer inquiries to staffing resources, and increasing data collection on customer communications and response.”*

Recommendation 2: *GDOL noted that it is “currently implementing centralized call scheduling which will route calls to available staff throughout the state, not just the central office, to reduce call waiting time.” GDOL reported that it is using federal pandemic funding for the upgrades.*

Appendix A: Table of Recommendations

Finding 1: Benefit payment delays were driven by unprecedented volume, limited automation of claims processing, and other factors. (p. 12)
No recommendations
Finding 2: GDOL lacks information that would assist UI program management with planning and decision making. (p. 20)
1. To manage the UI program more systematically, GDOL should collect additional information and ensure all information is reliable and accurate.
Finding 3: A documented plan would help GDOL better manage future increases in claim volume. (p. 24)
2. To prepare for future increases in claim volume, GDOL should create a formal recession plan that considers lessons learned during the pandemic.
Finding 4: While GDOL has made key updates to its claims management system, the system could better facilitate claims processing and communication with claimants. (p. 28)
3. GDOL should increase automation of its claims processing.
4. GDOL should continue to improve its communications with claimants through the portal—particularly with regard to status updates and document submission.
5. The General Assembly should consider additional funding to upgrade/modernize GDOL's UI system.
Finding 5: The number of GDOL employees has declined over time, resulting in fewer employees to address the surge in claims. (p. 34)
No recommendations
Finding 6: GDOL's staffing actions to address the claims increase were similar to strategies used by other state UI programs. (p. 35)
6. GDOL should work with the General Assembly to create an exception to the retiree work limit during periods of high unemployment. In future situations like the public health emergency, GDOL could work with the Office of the Governor to include a waiver in any related executive order.
Finding 7: Information available to claimants was not always clear and accurate, which contributed to application errors, processing delays, and increases calls and emails from claimants. (p. 43)
7. GDOL should identify and implement ways to make the application process clearer for claimants (e.g., clarifying language for questions).
8. GDOL should provide plain language explanations in its determination letters.
9. GDOL should use surveys or focus groups to test the clarity of language with claimants and/or employers.

10. When changes are made to processes, GDOL should ensure all communications are updated to claimants understand what steps they should follow.

Finding 8: GDOL adjusted policies to reduce claims processing times but could have considered additional steps. (p. 48)

11. GDOL should include language in the determination letters to notify claimants of the option to requires a redetermination or reconsideration.

Finding 9: GDOL's requirement that employers file claims on behalf of certain claimants led to faster processing of many claims but to delays or overpayments in some cases. (p. 51)

No Recommendations

Finding 10: Career center closures allowed staff to focus on claims processing but increased challenges for claimants. (p. 54)

No recommendations

Finding 11: The need for claimant assistance grew exponentially during the pandemic, but many claimants were unable to obtain a response. (p. 56)

No recommendations

Finding 12: GDOL does not have systems in place to track claimant inquiries, which leads to unfulfilled requests, delays in claims processing, and additional inquiries. (p. 61)

12. GDOL should develop a system to track which contacts have received a response to ensure timely responses and to minimize duplication of effort.

13. GDOL should centralize communications to improve efficiency.

Appendix B: Objectives, Scope, and Methodology

Objectives

This report examines the unemployment insurance (UI) program at the Georgia Department of Labor (GDOL). Specifically, our examination set out to answer the following questions:

1. How long did GDOL take to process claims for each UI program?
2. Did GDOL take reasonable steps to adjust staffing and training in response to the high volume of UI claims during the pandemic?
3. Did technological challenges impact GDOL's timeliness of claims processing?
4. Did claimants have access to clear and sufficient communications from GDOL?
5. Did GDOL respond to contacts from claimants in a timely manner?

Scope

This special examination generally covered activity related to UI claims filed January 2020 through June 2021, with consideration of earlier or later periods when relevant. Information used in this report was obtained by reviewing relevant laws, rules, and regulations; interviewing GDOL officials and staff; reviewing agency documents; analyzing data and reporting from GDOL; conducting a career center site visit, including observing staff process claims; reviewing media coverage of UI during the pandemic; reading industry publications and audits conducted in other states; reviewing other states' UI websites and documents; and interviewing UI staff in other states.

Government auditing standards require that we also report the scope of our work on internal control that is significant within the context of the audit objectives. We reviewed internal controls as part of our work on Objectives 1 and 5. This work was related to understanding how GDOL's internal controls affected the timeliness of claims processing and the quality of the customer service data. The work provided context for multiple findings, but it also resulted in a finding about the inadequate management information and monitoring, as well as a finding about insufficient communication with claimants.

We were unable to fully address objectives 1 and 5 due to data limitations. As described below and throughout the report, GDOL either did not have data, provided data that was not reliable, or was unable to provide data in the timeframe required for the report. In addition, we could not conduct significant on-site visits due to COVID-19 precautions and cases at GDOL, limiting our ability to obtain complete and timely information from staff at all levels. Finally, limited written documentation available from GDOL (e.g., documentation of claims processes, strategies used during the pandemic) led to greater reliance on testimonial evidence.

Methodology

To evaluate how long it took GDOL to process claims, we requested GDOL provide claims data that would allow for a comprehensive evaluation of timeliness, as well as factors that may have contributed to processing delays. GDOL indicated it would take at least three to four months to provide the requested data. Due to the report deadline, the audit team agreed to accept a more limited data set. However, as noted on pages 16 and 23, the claims data GDOL provided was not sufficiently reliable for

analyzing the timeliness of claims processing. The audit team also attempted to use GDOL reporting to the U.S. Department of Labor (U.S. DOL) but determined this data was also not sufficiently reliable.

Without claims data, first payment timeliness was estimated using payment data provided for financial audit purposes. We calculated the number of days between each claimant's first eligible week ending date and the check date for the corresponding payment. While this provides information for payments made through the date of the data extract (September 2021), additional payments continue to be made for claims beginning in the quarters reported, especially for more recent quarters. Additionally, we excluded PUA payments for claims with initial eligibility in the first quarter of calendar year 2020. The CARES Act allowed for PUA claims to be backdated prior to the passage of the law, so claimants could be paid for weeks that occurred well before they were able to file a claim.

To estimate the number of new initial claims filed during the pandemic, we used unduplicated counts from the claims data provided by GDOL. While the claims data was not sufficiently reliable to evaluate timeliness, the data provided the best estimate of new initial claims filed.³¹ Because the data included duplicate records, we used unduplicated counts of Social Security Numbers for the periods of March 2020 to February 2021 and March 2021 to June 2021. We used these two time periods because a claimant can have one new initial claim per 12-month period. By using two time periods, we were able to include individuals who might have filed a legitimate second initial claim in their new benefit year.

To determine whether GDOL took reasonable steps to adjust staffing and training, we interviewed UI, statewide operations, and human resources personnel. We used Department of Administrative Services' Human Resources Administration data to analyze staffing changes at GDOL from fiscal years 2013 through 2021 and TeamWorks HCM data to determine the employee hours redirected to UI and overtime, as well as to assess hiring during the pandemic. To determine the number of contractor hours spent on UI and IT, we requested that GDOL provide records documenting contractor hours for the review period.

To determine how technology impacted the timeliness of claims processing, we compared GDOL's system capabilities with best practices for UI systems. We identified best practices by reviewing industry literature, audits from other states, and federal audits. We also interviewed staff from other states' workforce agencies. To assess GDOL's system capabilities, we interviewed agency staff, reviewed agency documents, and observed staff processing claims while onsite.

To assess GDOL communications to claimants, we reviewed written communications sent to claimants, application screenshots, the claimant handbook, and the GDOL website. To determine the reading grade level of the documents reviewed, we used the Flesch-Kincaid grade level tool in Word. We also interviewed GDOL staff and read media reports to identify areas of potential confusion. We intended to evaluate claimant answers to application questions as part of our review of claims data, but data limitations discussed on page 16 prevented us from doing so.

To determine the impact of career center closures, we reviewed agency documents to determine what resources the career centers offered and the level of visitation from UI claimants before the pandemic began. To determine how frequently claims were filed in person at the career centers, we reviewed Benefit Accuracy Measurement data published on the U.S. DOL website.

³¹ As noted on page 22, claim numbers that GDOL reported to U.S. DOL contained significant duplicates, and as such, did not provide a reliable source for the number of claims filed.

To determine whether GDOL responded to contacts from claimants in a timely manner, we requested responsiveness data from GDOL for phone calls, emails, and web inquiries.³² While we analyzed volume across these channels, data was not available to determine responsiveness across most channels. As discussed on page 61, GDOL does not track whether staff have responded to voice mails, emails, or web inquiries, and available data was not sufficient for us to identify responses.

For phone calls, GDOL provided incoming call records for UI-related phone numbers for two separate time periods: January to May 2020 and March to May 2021. GDOL staff indicated that data for the intervening time period was not available because of data storage issues. We used the available data to analyze call volume and call outcomes for these time periods; however, data issues affected what we were able to report. For example, the data indicated calls that were sent to voice mail but did not indicate whether the caller had left a voice mail, so we could not match actual voice mails with outbound calls to assess responsiveness. Additionally, there were concerns with the call data that affect its reliability. GDOL staff indicated that this data “cannot be assumed to be accurate or complete.” We identified problems such as calls that are categorized as “answered” in the middle of the night or that only last a few seconds. While we determined the 2020 time period was sufficiently reliable to report, we determined that the 2021 data was not, due to missing records. GDOL staff indicated that the agency had stopped tracking calls with outcomes of Not Connected or Abandoned, so the call volume and outcome analysis results for 2021 were inaccurate.

For emails, we analyzed data for incoming emails received between December 2020 and September 2021 for a sample of UI-related inboxes. Due to its retention policy, GDOL no longer had email records for earlier time periods. Additionally, GDOL staff indicated it would be a significant logistical challenge to pull data for all requested inboxes. As a result, we reduced our request to the five central UI inboxes and a sample of 12 career centers and then projected the volume to the remaining 30 career centers. While we reported volume, it was not possible to evaluate email responsiveness. GDOL staff typically respond to emails via phone, but outgoing call data could not be matched to specific emails.

For web inquiries, we analyzed data for UI-related inquiries submitted between January 2020 and May 2021. As with emails, GDOL staff generally respond to web inquiries by phone, so we could not evaluate responsiveness.

We also analyzed call appointment data from GDOL's online scheduling system (known as the Dynamic Scheduler) between its implementation in November 2020 and July 2021. In addition, we monitored appointment availability on GDOL's website between August and October 2021.

We conducted this special examination in accordance with generally accepted government auditing standards, with the exception of obtaining the evidence necessary to fully address objectives 1 and 5 as intended and as discussed in the scope and methodology sections above. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

³² GDOL staff indicated that claimants also communicated with them via fax; however, the resources required made it impractical to pull fax data for analysis.

Appendix C: Career Center Map



Appendix D: Timeliness

Number of Days from Initial Eligible Week to First Payment¹

All Programs

	2020				2021		Total	%
	Jan-Mar*	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun		
Total Claims with Payments	356,981	727,100	91,446	32,474	30,914	12,405	1,251,320	
Up to 30 Days	284,106	534,778	57,579	20,126	20,429	6,892	923,910	74%
31-60 Days	57,038	115,443	17,489	4,517	3,323	2,603	200,413	16%
61-90 Days	6,929	37,416	5,274	1,409	1,228	1,818	54,074	4%
91-120 Days	3,235	20,460	4,176	2,627	4,180	843	35,521	3%
121-150 Days	1,460	5,757	3,288	2,485	813	193	13,996	1%
151-180 Days	1,174	3,975	1,306	659	459	56	7,629	1%
More than 180 Days	3,039	9,271	2,334	651	482	-	15,777	1%

*Claims from the first quarter exclude programs from the CARES Act.

Regular (State) UI

	2020				2021		Total	%
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun		
Total Claims with Payments	356,976	639,200	80,569	31,024	29,994	13,507	1,151,270	
Up to 30 Days	284,108	514,556	54,009	20,149	20,343	7,602	900,767	78%
31-60 Days	57,033	88,188	14,567	3,523	2,841	2,806	168,958	15%
61-90 Days	6,929	20,042	3,531	1,215	1,033	1,914	34,664	3%
91-120 Days	3,234	6,832	3,166	2,548	4,152	922	20,854	2%
121-150 Days	1,459	2,607	2,647	2,395	737	204	10,049	1%
151-180 Days	1,174	1,755	927	614	422	59	4,951	0%
More than 180 Days	3,039	5,220	1,722	580	466	-	11,027	1%

Appendix D: Timeliness (continued)

Number of Days from Initial Eligible Week to First Payment¹

Pandemic Unemployment Assistance

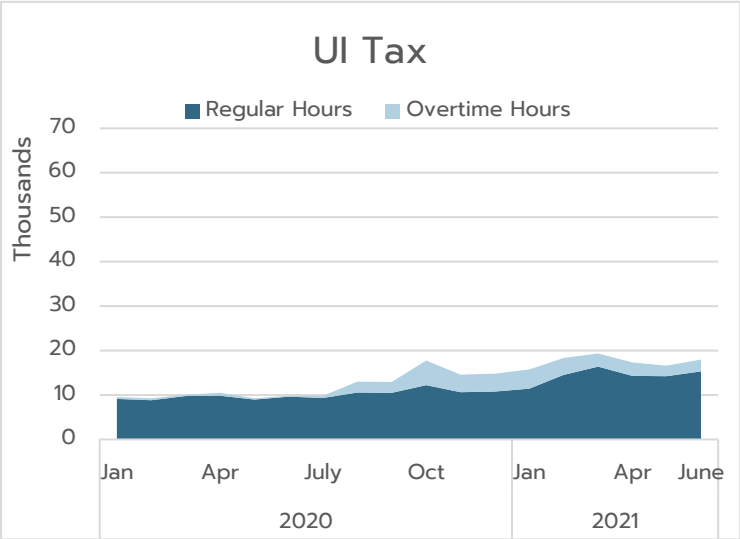
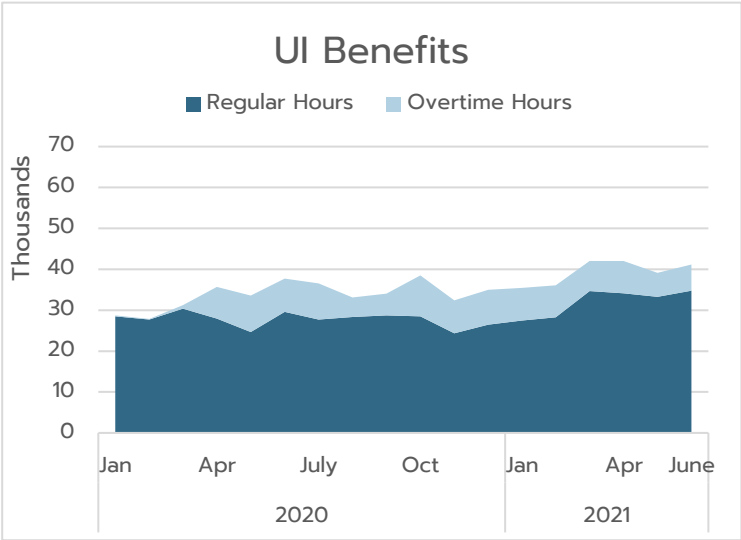
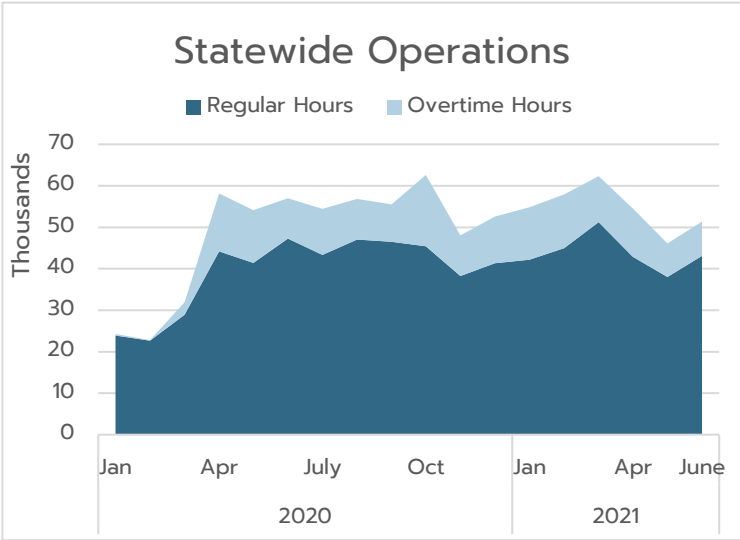
	2020				2021		Total*	%
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun		
Total Claims with Payments	194,602	96,489	11,155	476	6,733	434	115,287	
Up to 30 Days		24,478	5,947	285	4,600	250	35,560	31%
31-60 Days		26,548	2,819	155	981	100	30,603	27%
61-90 Days		17,485	991	13	545	53	19,087	17%
91-120 Days	Data Not Reported*	14,223	442	7	252	21	14,945	13%
121-150 Days		3,386	399	8	182	10	3,985	3%
151-180 Days		2,388	228	2	85	-	2,703	2%
More than 180 Days		7,981	329	6	88	-	8,404	7%

*Claims with initial eligibility in the first quarter of 2020 were not reported and were excluded from the Total column. The CARES Act (passed March 27) allowed for PUA claims to be backdated to weeks ending February 2, so time between initial eligibility and first payment could be significantly longer than processing time.

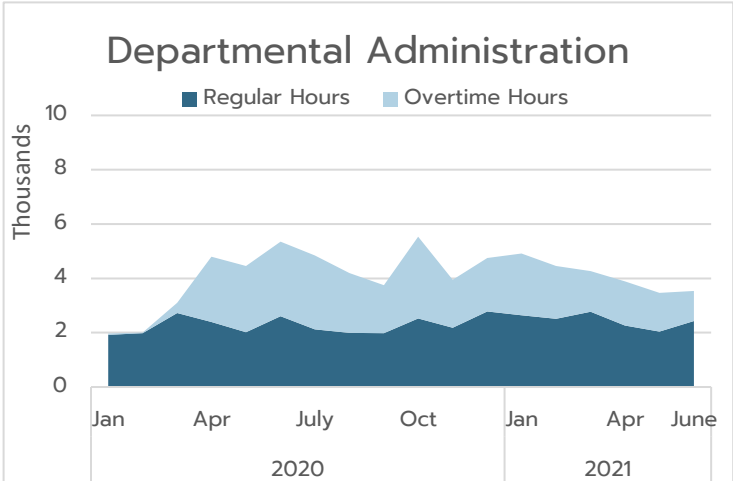
¹ Difference between first week ending date for benefits and check date. Data as of September 2021. Ongoing claims processing and appeals could lead to additional payments that would increase the 50% and 95% levels, especially for recent quarters.

Source: GDOL benefit payment data

Appendix E: Staffing



Please note the change in scale in the following charts



Source: TeamWorks HCM, GDOL contractor records

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