Collaborating to Improve Unemployment Insurance

Highlights

+ When forming a consortium to build or buy UI software, states should establish clear governance at the outset, start small in terms of members involved, and practice agile, human-centered software development that is driven by user research, testing, and feedback.

+ In its new work piloting UI shared services and support for states, the Department of Labor should invest not only in open source code and software modules, but also interoperability standards, APIs, and shared knowledge such as best practices and playbooks.

+ When invested in and proactively managed, communities of practice focused on connecting and serving state teams implementing UI are a valuable if not necessary complement to other forms of collaborative service delivery.

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Introduction

Unemployment insurance (UI) modernization has been a hot topic since millions of Americans had to apply for unemployment benefits—many for the first time—using largely archaic, complex, and unstable state systems during the COVID-19 pandemic. Many states and the federal government have known for years that these systems were vulnerable and needed a refresh: 24 states began or completed modernization projects for their UI benefits and tax systems between 2000 and 2021, with varying levels of success, and federal money has been going out the door specifically for such projects since 2009, when Congress passed the UI Modernization Act.

Expert organizations across civic tech, UI, and labor have published valuable playbooks for improving UI technology including:"Centering Workers: How to Modernize Unemployment Insurance Technology" from the Century Foundation, National Employment Law Project, and Philadelphia Legal Assistance; U.S. Digital Response's (USDR) UI Modernization gitbook; and New America's Playbook for Improving Unemployment Insurance Delivery.

These reports should shape UI programs and policy as federal and state/territory teams continue work on improving their systems. Instead of pursuing these recommendations on their own, however, the Intergovernmental Software Collaborative team at the Beeck Center for Social Impact + Innovation at Georgetown University believes that agencies and teams across the U.S. have the opportunity to **build better digital service delivery through collaboration**.

We have identified three clear paths to modernizing collaboratively on UI digital service delivery: consortia, federal shared services, and communities of practice. These paths are not the only options, nor are they mutually exclusive; indeed, we believe a combination will benefit states and the public alike. For all three, agencies should take an open source software approach using modern software development best practices, and drive product development iteratively with human-centered design.

Consortia

Consortia—historically the most practiced form of collaboration around UI—corresponds to the "Collaborative independent development" sharing model we've identified previously and involves multiple states banding together to share funding and governance over a project. Typically—and consistently with most government software—a consortium purchases software or IT services from a vendor rather than developing it in-house, and requires all members to sign off on proposed changes to the software.

The consortium approach appeals to states because they often have far more similarities than differences in requirements for software, and sharing means they can reduce costs related to software development, infrastructure, and expertise. For example, in an audit by Maryland and West Virginia, state officials determined that they had 90 percent overlap in needs for a UI system, justifying their formation of a consortium to purchase a shared system with the flexibility for individualized state configuration for the remaining 10 percent (Sagitech paper).

Despite these benefits, UI consortia are often unsuccessful and struggle with governance and agile, human-centered software development. In a previous Beeck Center blog, we investigated two UI consortia that are now defunct, WyCAN and iUS. The former stumbled over trying to satisfy too many states' needs too early in the product process while not focusing on a shared core code base, and the latter suffered from misalignment over governance and how much say each member had in the product roadmap. ReEmployUSA, a consortium originally formed by Mississippi, Maine, and Rhode Island, has survived with support from Department of Labor (DOL) funding and may grow to include Connecticut and Oklahoma (CW 31). However, it has faced its share of struggles and negative press caused by the states' frustration with the contractor and the product's lack of human-centered design and inclusion of feedback and testing with real users.

States considering the consortium approach should establish clear governance at the outset, start small in terms of members involved, and practice agile, human-centered software development that is driven by user research, testing, and feedback—tactics also outlined in a previous Beeck report on collaborative software development. They should also follow the recommendations for UI tech improvements as set out in Centering Workers, and learn from other states through the USDR gitbook. Product teams should include user researchers and be empowered to set the product roadmap following an agile methodology in pursuit of objectives and success measures, instead of adhering to a long, waterfall style product roadmap or statement of work.

Furthermore, state consortia should use and build open-source software using open source best practices, which would enable members to observe and contribute back to the shared code base, reduce the risk and cost of vendor lock-in when unsatisfied with a vendor, and, should a member leave the consortium, ensure that it still access to and rights over use of the code that it had invested in.

Federal Shared Services & Standards

The federal government has historically not provided much by way of shared services to states. DOL, and occasionally Congress and the U.S. Government Accountability Office (CW 12), have instead played a funding and oversight role. Since the pandemic began, however, federal agencies are rethinking their relationship with states, particularly when it comes to supporting the implementation of federally funded and regulated programs. They are increasingly interested in more active support and shared service efforts to help states solve problems within a program domain, a departure from the previous practice of handing out money with some rules but little-to-no support in figuring out how to spend the money effectively.

For UI modernization specifically, DOL recently started a pilot in partnership with the U.S. Digital Service to improve the claimant experience in Arkansas and New Jersey. Their goal is to figure out how sharing digital services might lead to better service delivery, including improved public experience and reduced cost.

As DOL continues this work, it should commit to an open-source approach and not limit their idea of "shared services" to only code libraries/modules or hosted software solutions, instead scoping it to include interoperability standards, best or promising practices, APIs, and playbooks. DOL has already made some headway in this area: its Employment and Training Administration (ETA) has created some standards for UI systems related to accessibility, translations, and types of support available. DOL should continue this trend with regard to data interoperability and API standards, as well as playbooks and resources to help states modernize with human-centered design.

Interoperability is especially important with sharing services between states, because each state has its own legacy software systems that new UI tech will need to integrate with. Tackling interoperability as part of the current shared services work will mitigate siloing between states and help states have a consistent (and more efficient) approach to integrating with shared services. We also recommend the U.S. Web Design System (USWDS) as an example of a shared services project that offers not only reusable open-source code, but standards, tutorials and support, active connections to modern best web development and design practices, a community of practice, and an ecosystem of open-source tools to help teams implement USWDS.

Communities of Practice

The less formalized community of practice model involves bringing together practitioners in a given industry or profession to share knowledge and resources both synchronously and asynchronously through regularly scheduled meetings, online forums, or resource libraries. When invested in and proactively managed, communities of practice can have significant benefits for members and can be a valuable if not necessary complement to other forms of collaborative service delivery. They create space for people solving similar problems to connect and learn from each other, help uplift success stories and best practices, and provide tools and momentum for community members to copy what works. They can also serve as catalysts and test beds for new collaborations and new shared services.

By some observations, DOL acts or could act as a community of practice convener for state and territorial workforce agencies, although it would take a significant amount of work to change the culture and relationship between DOL and states. As long as DOL holds the purse strings and regulatory power, states and territories will likely not feel that they can be open about what they are struggling with and where they need extra support, since such admissions may lead to DOL withholding funds or imposing penalties. However, with DOL's investment in human-centered shared services discussed previously, there is hope that this culture may start to change. By talking with their users in workforce agencies, DOL may better understand these struggles and build services and standards that help address them.

In the meantime, there is room to support communities of practice outside of government. Perhaps the longest standing one—the National Association of State Workforce Agencies (NASWA)—provides UI IT modernization resources online and other services funded by DOL grants, which are available only to the state and territorial workforce agencies that are members. NASWA also functions as a vendor, providing technical assistance or consulting services as well as some UI-adjacent software products to members for additional fees.

Taking a different organizational and functional approach, a group of practitioners formed a community of practice they named the UI Tech Coordinating Coalition in November 2020 to identify solutions to backlogged claims, fraud, and other tech issues in the UI system that resulted in millions of workers not receiving billions in aid during the pandemic. The UI Tech Coalition brings together not just workforce agency executives, but also advocates, experts, technologists, and unions to propose solutions to federal policymakers. Because of its unique cross-functional membership, it is well positioned to help states and territories improve UI service delivery end-to-end rather than just as a technology concern, while centering the public and pairing community support with policy advocacy.

Another organization, Code for America, is experimenting with a community of practice model in another domain—means-tested safety net programs such as SNAP, WIC, TANF, Medicaid, etc. This involves forming cohorts of states that Code for America helps design and build open-source services with, which may result in reusable open-source tools or other more formally governed shared services. Such a model would be valuable for helping states and territories with UI: states often have different technological, organizational, and political landscapes, making it more sensible to cater assistance to groups of similar states and territories as opposed to trying to serve all at once.

As communities of practice form or mature, these groups should focus on supporting and learning from implementation and user needs, investing in active management, and openly sharing any lessons learned, promising practices, or resources. Communities of practice are more engaged when they have active managers, whose responsibilities include doing research with members to understand their needs and challenges, organizing and facilitating meetings or other conversations, helping members connect with and become resources for each other, and building and maintaining a knowledge base or library of resources, playbooks, best practice guides, etc. These community managers should be looking for ways to help members get value out of the group, which means focusing on the real needs of UI practitioners and informing any policy or advocacy work they may engage in with lessons learned from delivery.

Communities of practice should also be open and have low barriers to joining or learning from the community. Because there will never be a single UI community of practice and, indeed, UI practitioners exist within a larger ecosystem of government services, practices of exclusivity put up unnecessary barriers between UI practitioners and their peers. Communities of practice should seek to create safe spaces where members can be open and candid and learn from each other without fear of judgment, which may mean that some or many conversations should be private. However, as communities learn and create resources and best practices for themselves, it would help the entire ecosystem for communities to share what they produce openly.

Using the Intergovernmental Software Collaborative

The Beeck Center is fostering a number of communities of practice that have workstreams related to UI, such as the Intergovernmental Software Collaborative (ISC) and Digital Benefits Network (DBN). These communities aim to support teams and cooperatives in better digital service delivery through advocacy, community facilitation, resource creation, and knowledge sharing.

ISC promotes sharing software across governments to reduce the time, risks, and costs associated with major software implementations and ultimately improve the administration and delivery of high-priority services, like UI. In addition, we help practitioners collaboratively procure and develop software to avoid spending separately and redundantly. This community of practice helps ensure agencies can create and maintain the best versions of systems that serve the American people, validating public trust in government's ability to cost-effectively deliver vital services.

Likewise, the DBN is a community of practice that strives to increase equity of the social safety net. The DBN generates insights, actionable resources, and proven best practices by fostering a cross-sector community of public interest practitioners, academics, vendors, and anyone working to strengthen the safety net.

About the Beeck Center for Social Impact + Innovation

The Beeck Center for Social Impact + Innovation at Georgetown University brings together students, expert practitioners, and extended networks to work on projects that solve societal challenges using data, design, technology, and policy. Our projects test new ways for public and private institutions to leverage data and analytics, digital technologies, and service design to help more people.

About this Document

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