

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF EMPLOYMENT SERVICES



**Unemployment Insurance in the District During the COVID-19 Pandemic**

Testimony of  
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Director

Before the  
Committee on Labor and Workforce Development  
Council of the District of Columbia  
The Honorable Elissa Silverman, Chairperson  
and  
Committee on Government Operations and Facilities  
The Honorable Robert C. White, Jr., Chairperson

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Virtual Meeting Platform  
John A. Wilson Building  
1350 Pennsylvania Avenue, NW  
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Good morning, Chairperson Silverman, Chairperson White, Councilmembers, and staff of the Committee on Labor and Workforce Development and the Committee on Government Operations and Facilities. I am Dr. Unique Morris-Hughes, Director of the Department of Employment Services (DOES). I welcome the opportunity to testify on behalf of my agency and the Bowser Administration on our work administering unemployment benefits during the public health emergency. Under the leadership of Mayor Muriel Bowser, DOES has been working nonstop to respond to the needs of District workers in a uniquely challenging time.

As discussed during our previous hearings before the Committee on Labor and Workforce Development, the current public health emergency is also an economic emergency. The response has changed how we administer unemployment in some fundamental ways. While federal and District legislation in response to this crisis has assisted District workers who are unemployed or underemployed because of COVID-19. The fact remains that the unemployment benefits system and process have been significantly overhauled in an effort to respond to dramatic and unprecedented changes to our economy and lives.

Prior to COVID-19, unemployment insurance provided benefits to traditional employees who were let go, through no fault of their own, by utilizing unemployment taxes funded by their employers. In response to the pandemic, the federal government greatly expanded these benefits—through an alphabet soup of new programs—that significantly expanded eligibility and, correspondingly, the number of new claimants. In 2020 alone, we saw an increase of over 350% in traditional unemployment insurance compensation claims compared to a typical year.

Since March 13, 2020, DOES has paid over \$2.16 billion in unemployment benefits and continues to process claims as timely as possible. Our Unemployment Insurance (UI) team is tirelessly working to adapt an older and out of date system to accommodate eight new benefit



programs, whose end dates and amounts have been modified by the federal government several times throughout the pandemic. The federal government issued 52 unemployment guidance documents in 2020 and has issued 21 in 2021 so far. As I've previously testified, our team has been building an overcapacity plane, mid-flight, over treacherous waters.

In order to explain why “building the plane” takes so long, I need to first provide a bit of background on how the benefits system works. The technology infrastructure for unemployment benefits is made up of two systems: the Web Enabled Benefit Services (WEBS) system and the District On-line Compensation System (DOCS). WEBS is the external facing side of the benefits program. This is what individual claimants see when logging into their portals. Through the WEBS platform, claimant can file their weekly claim forms, access their 1099s, and select direct deposit or other options. In contrast, DOCS is the internal database where all of the claims processing takes place. The two systems are meant to include all of the same information and are synced every weeknight during an overnight “batch processing” period. During the “batch processing” period, DOES unemployment team members cannot make changes or updates to claims. On Mondays and Tuesdays, this processing period begins at 7pm and goes until completed, typically into the early hours of the next morning, and on Wednesday through Friday nights the lockdown begins at 8pm.

DOES contracts with OnPoint, our unemployment benefits system vendor, to operate and maintain both WEBS and DOCS. WEBS is a proprietary system developed by OnPoint. While the DOCS system did not begin as proprietary and was originally built in Virginia in the mid-1970s, the OnPoint team has been modifying the District's DOCS system and code continuously since 1995. As a result, OnPoint is the only company with the knowledge and understanding necessary to modify this system. Whenever there is a new modification to unemployment or if a



new UI program is developed, DOES works with OnPoint to make these updates to be able to provide these additional benefits to claimants. We are reliant on them to make necessary changes and to alert us to any system issues.

Our system is currently working at a previously unheard-of capacity. As of May 5, 2021, 176,000 individuals have filed 199,000 initial claims. Of those 176,000, over 114,000 have been paid. However, I want to emphasize that the other claims are not ignored– thousands of them have unresolved issues, are monetarily ineligible, or do not have weekly certifications attached to their claim. We also understand that for our claimants, any week that is missed because their claim is under review can be a hardship and, as a result, we are working to provide services as quickly as possible.

As I have previously discussed, federal legislation has created an alphabet soup of programs in addition to the traditional 26 weeks of unemployment insurance benefits, specifically:

- Pandemic Emergency Unemployment Compensation (PEUC) – PEUC covers individuals who have recently exhausted all rights to traditional UI under state or federal law and now provides up to 53 total weeks of unemployment benefits.
- Extended Benefits (EB) – EB are additional UI benefits payable to qualified workers when an “Extended Benefit Period” occurs in the District. EB is payable only for weeks of unemployment during an EB period and is available only to individuals who meet the criteria, including additional eligibility provisions that do not apply to regular UI.
- Federal Pandemic Unemployment Compensation (FPUC) – FPUC provides an additional \$300 per week in supplement benefits to claimants who are eligible through traditional UI, Shared Work, PEUC, EB, or PUA. The extra \$300 is



available from week ending January 2, 2021 through the week ending September 4, 2021.

- Pandemic Unemployment Assistance (PUA) – PUA covers individuals who are not eligible for traditional UI benefits for up to 79 total weeks. This includes self-employed individuals, independent contractors, and gig economy workers, as well as those who have exhausted their benefit eligibility under traditional UI, PEUC, and EB. PUA is effective February 2, 2020 through September 4, 2021.
- Mixed Earners Unemployment Compensation (MEUC) – MEUC provides a \$100 weekly supplement to eligible individuals with annual self-employment income of at least \$5,000. To be eligible for MEUC, individuals must have received at least \$5,000 of self-employment income in the most recent taxable year ending prior to the individual’s application for regular UI. MEUC is effective from the week ending January 2, 2021 through September 4, 2021.

Earlier this month, DOES and OnPoint successfully implemented the extension of benefits under the American Rescue Plan Act (ARPA). This includes claimants that qualify under all current programs from federal legislation that were just explained.

While our team is excited that these updates are now accessible, I do need to acknowledge that this process has not been as smoothly as we planned.

Now that the ARPA updates are up and working, DOES is also charged with implementing a number of federal requirements for claims. While a claimant does not need to file a new application to receive the ARPA extensions themselves, federal guidelines do require each traditional unemployment, PEUC, or EB claim to be reviewed when the claim has reached the Benefit Year Ending (BYE) date. As a result, regardless of whether a claimant would still be



eligible for PEUC or EB benefits under the ARPA extension, if a claimant has reached their BYE they *must* file a new claim. We are currently reviewing and processing all claims in the order of year-end dates. While their claims are being processed, claimants may see a message in their claimant portal indicating that they are monetarily ineligible. Despite this message, claimants should continue to file their weekly certifications. As of May 5, 2021, approximately 31,869 traditional UI, PEUC, or EB claimants are impacted by the benefit year end. Of those, 17,210 have had their issues resolved and begun receiving benefits since their benefit year ended.

Similarly, the Continued Assistance for Unemployed Workers Act (CAA) created additional requirements related to individuals receiving PUA benefits. If a claimant received a PUA payment on or after December 27, 2020, and applied before January 31, 2021, they must provide documentation substantiating employment or self-employment, or the planned beginning of employment or self-employment. Our team has been working to notify each eligible PUA claimant of these requirements and provide them an individualized link to upload their documentation.

Last Wednesday, I listened to the witness testimony and I sympathize with the frustration that our claimants expressed. DOES takes each of your concerns seriously. I am personally committed to ensuring each issue every claimant runs into is resolved as quickly as possible. I and my team are doing the best we can with the antiquated system we have to ensure money is in your pockets every week.

The past year has stretched our capacity and we have experienced turbulence, but my team is not going to stop trying to improve our systems. As I detailed during our performance oversight hearing, Mayor Bowser authorized an additional \$11 million in funding for DOES to support increasing UI-specific staff, and to support system modifications necessitated by the federal



CAA. Utilizing this additional funding, DOES expects to be able to address the pending claims, reduce customer wait times on the phone, and get money to eligible claimants in a shorter period of time. We have already utilized this funding to:

- *Procure new technology and tools for efficiency* including an upgraded Chatbot feature on the website to allow for immediate answers and real-time two-way communications;
- *Increasing communications directly to claimants* by hiring new communication staff specifically dedicated to unemployment messaging and allow us to increase our use of robocalls and text messages to alert and update claimants on new benefits availability, workforce development services, paid training opportunities, hiring events, and other agency announcements;
- *Adding capacity to program staff and operations* by providing comprehensive staff training to improve the quality of interaction and adding call takers; and
- *Increasing our ability to test new updates to the UI system before launch.* Using our new funding, we have brought in additional resources to help OnPoint support the DOCS and WEBS system, specifically around testing, IV &V, and peer to peer support.

Along with these new resources, DOES continues our work to modernize our unemployment systems. Our tax modernization continues and we will be conducting user acceptance testing this summer with the goal of launching the new system in the early fall. On the benefits modernization side, our team completed the technical evaluation panel review of the contract bids in February and have made a contractor selection, which will be presented to the Council for review soon.

In closing, Chairperson Silverman, Chairperson White, and Councilmembers, I appreciate the opportunity to testify about the work that our team is doing to serve unemployment claimants. While the past year has been challenging, I am proud of the hard-work my staff continues to do



for District residents and workers. This concludes my testimony. I am happy to address any questions at this time.

