

Memo

To: General Services Administration

From: TELI Team Gingko: Chuck Borges, Alyssa Harvey Dawson, Linda Lannen, Ashley Llorens, Tim Reilly

CC: White House

Date: November 6, 2020

Re: Fostering a National Ecosystem for Digital Service Delivery Through Federal Grants

COVID-19 has had an extraordinary impact on the health and economic well-being of our nation. As COVID-19 spread, businesses responded to plummeting demand by furloughing and laying off workers. To support workers during these unprecedented times, Congress passed the \$2.2T Coronavirus Aid, Relief and Economic Security (CARES) Act in March 2020, which significantly altered the terms of conventional unemployment assistance and created a new category of Pandemic Unemployment Assistance (PUA). Under PUA, workers that were not covered by traditional unemployment assistance were suddenly eligible. PUA also increased the level of benefits received by traditionally-eligible workers by \$600/week.

As a result of this legislation, States rushed to update existing systems that process unemployment assistance claims and to create new ones to deliver benefits to new classes of workers. With massive demand, users overloaded systems and phone banks in many states and regrettably only 47% of the 29.4 million initial claims in March and April of 2020 have been paid¹. Millions of Americans eligible for benefits have not received the support that they are eligible for.

Our retrospective analysis of PUA program implementation in several states uncovered widely varying success in rapidly modifying systems and infrastructure to respond to crisis. Dedicated innovation offices such as the Colorado and Vermont Digital Service proved to be helpful but not sufficient. Through user interviews and additional research, we uncovered that project success was less about the technology itself and far more about the approach to project design and implementation.

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<https://tcf.org/content/commentary/six-months-pandemic-just-half-applicants-received-unemployment-insurance-payments/>

- States using user-centered design methodologies combined with agile and iterative implementation enabled by a procurement process which facilitates smaller vendor commitments with demonstrable milestones were more able to deliver benefits to workers and support citizens.

Though COVID-19 is our current crisis, past crises (9/11 Attacks, Hurricane Katrina, and the Global Financial Crisis) have similarly required rapid adaptation of Information Technology (IT) systems and implementation by the states in response to fast-moving Congressional legislation and desperate citizens. We believe that it is critical for our nation to adopt modern IT practices at the State level where services are delivered in order to prepare for future crisis response.

Accordingly, we present two recommendations:

1. The General Services Administration (GSA) should work with the Department of Labor (DOL) to assemble a cross-functional team assessing the performance of state service teams in delivering services with particular focus on lessons learned from the Pandemic Unemployment Assistance Program (PUA).
2. Congress should fund a grant program to build a national ecosystem for digital service delivery following identified best practices laid out in past research by the United States Digital Service (USDS) and captured in their Digital Services Playbook. Interested states would then be able to apply for modernization funds with oversight and guidance from the USDS. Lessons learned in the recommended study of PUA implementation will be used to direct efforts and allocate resources under the associated grant program.

If successful, our approach will lead to capacity-building investments by state and federal agencies to build out an ecosystem around digital service delivery that better connects federal and state capabilities. The success of the program would be measured against aggregate improvement in identified service-delivery metrics across targeted programs and reduced cost to deliver key services over time. Ultimately these investments will enhance our nation's resilience and ability to effectively respond to the next crisis.