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NATIONAL UNEMPLOYMENT INSURANCE (UI) DISASTER PREPAREDNESS EFFORT

**Prepared by the
Information Technology Support Center**

EXECUTIVE SUMMARY

Unemployment Insurance (UI) programs play a crucial role in providing temporary income support for unemployed workers and maintaining economic stability in our nation's workforce system during periods of high unemployment, including those that result from manmade or natural disasters.

In 2005, Hurricanes Katrina and Rita created large-scale economic and employment disruptions on the Gulf Coast, particularly in Louisiana and Mississippi. The scale of these disruptions resulted in levels of unemployment claims that exceeded the capacity of Louisiana and Mississippi to handle without significant help from other states and the U.S. Department of Labor. A number of states were able to provide assistance because the hurricanes occurred during a period of low unemployment in most of the country.

To learn from these events, the Employment & Training Administration (ETA) commissioned this study to develop recommendations for UI system disaster preparedness. The study included a gap analysis to establish a baseline for disaster response planning and the development of a National UI Disaster Preparedness Plan (the Plan) to address the needs of Federal, state, and local agencies across the country in the event of a future Mass Unemployment Event (MUE)¹. To help guide the work of the study and the development of the Plan, a UI Disaster Preparedness Workgroup was formed. The Workgroup included representatives from ETA and seven state UI agencies.

Study Methodology

The study included structured interviews with: 1) staff from eight state UI agencies that were either affected by the hurricanes or helped the impacted states, and 2) Dallas and Atlanta ETA Regional Office staff. A compilation of the interviewees' disaster-related experiences produced generalized lessons learned for state UI agencies. From these lessons learned, tentative recommendations were identified for UI practices, procedures, and infrastructure necessary to respond to large scale disasters. A gap analysis documented the state UI agencies' existing infrastructure and disaster plans, comparing them against what will be required for the continuity of UI services in a disaster situation. Based on the identified "gaps," the final recommendations to improve disaster preparedness at state UI agencies were developed.

Lessons Learned

The study found that:

- although state-to-state assistance had occurred in a few disasters in the past, there were no formal plans in place for states to provide assistance to each other in the event of an MUE.
- many states had nominal disaster recovery plans in place to respond to limited disasters. However, most of these plans lacked complete strategic planning, sufficient integration with normal operations, and a systematic exercise and testing plan. State UI agencies were somewhat better prepared to address potential technology disruptions during Year 2000 (Y2K) than they are now for MUEs.

¹ Mass Unemployment Event (MUE) is defined as a rapid, sustained increase in UI claims to levels significantly above those normally experienced in a state.

Key lessons learned include:

- Current UI agency emergency response and business continuity plans are not integrated with overall state emergency response plans. The UI agency should be a player in the state's emergency planning process and plan development.
- State plans do not address MUEs, those that generate claims beyond the state's capacity to handle. Arrangements for obtaining assistance from others in the event of an MUE should be made in advance and included as an adjunct to each state's individual plan.
- The Emergency Management Assistance Compact (EMAC) is not used by state UI agencies to coordinate services to affected disaster areas. Linkages with EMAC need to be part of each state's disaster plan.
- State plans are generally not incorporated or regularly exercised into the normal routine of the agency.
- Many state UI systems lack information technology and telecommunications flexibility to respond adequately to an MUE. Electronic self-service systems including claimant inquiry, DUA claims taking, electronic payment systems, and imaging systems for electronic transfer of data would help to provide the best response during a disaster.
- The lack of a national disaster response plan contributed to service disruptions, delays, and poor customer service. National leadership as well as interagency planning and cooperation is necessary.

Recommendations

The following recommendations are based on the information obtained from the gap analysis and the lessons learned. These recommendations provide a common sense and workable approach under which state UI agencies may develop state-specific plans for mitigation and response to disasters affecting their economic landscape.

The recommendations overall define the framework, protocols, methods, and organizations to assist state UI agencies with disaster preparedness planning that incorporates the cooperative assistance of other Federal, state, and local agencies.

Specific recommended actions that involve planning, legislative, and technical infrastructure recommendations include:

- Improvement of Continuity of Operations Planning (COOP) including training, exercise of the COOP, and independent assessment of state UI agency COOPs
- Creation of UI Interstate Disaster Councils to pre-position shared processing resources for establishing formalized cooperative assistance between the state UI agencies;
- Improvement of ETA and the Federal Emergency Management Agency (FEMA) coordination, including improved administrative funding for DUA;

- Modifications of laws to facilitate timely funding for disaster support and other services, e.g. allowing states to use their title III funds to assist other states in carrying out activities under title III during an MUE;
- Data communications improvements to call centers to ensure the ability to balance and distribute call workload; and
- Technology improvements providing integrated, automated UI Internet-based systems for claims filing and internet-based, self-service claim information services

Meeting the objectives of the planning effort will require the committed participation of each stakeholder, not only to analyze and prepare for the perceived threats, but to integrate a continuous cycle of reviewing, updating, exercising, and improving those plans into their organizations at every level of the Federal/state UI system. Strong organizational commitment by all stakeholders at all levels will be required to create, organize, train, and publicize the plans and procedures of the UI community for disaster response during the disaster-free years.

State UI Agency Initiatives

In summary, each state UI agency should:

- Develop a plan for continuity of operations and disaster recovery that includes integration and interagency cooperation in the event of an MUE.
- Regularly exercise and test the plans, modifying them as appropriate to accommodate changes in the agency.
- Integrate the plans into everyday agency operations by assigning plan responsibility to specific, identifiable, and empowered managers.
- Modernize its telecommunications network.
- Link with the Emergency Management Assistance Compact (EMAC).
- Establish/maintain electronic communication with the Internal Revenue Service (IRS) for employment verification.
- Integrate DUA/UI Internet claims-taking.
- Interface the Interstate claims system with its mainframe system.
- Develop a communications plan for interagency cooperation and assistance.

Conclusion

The systematic study of the emergency preparedness of the UI system found that state UI agencies are ill-prepared to maintain the continuity of their operations and to manage the operational requirements of an MUE. The deficiencies will significantly impede the state UI agencies from the timely and efficient completion of their unemployment insurance functions in a disaster. Disasters and/or a disaster-produced MUE are infrequent, but their consequences can devastate the economy of an affected state.

The resources necessary for a disaster-affected state to manage the requirements of an MUE can be found in the operational capacity of other states. To share this capacity, the state UI

community must change its perception from a “self-sustained” to a “cooperative assistance” view. State UI agencies must plan to utilize resources from “assisting states” to meet emergency operational requirements. For resource sharing to occur efficiently and effectively, the UI community must institutionalize the process between agencies and upgrade the infrastructure of the agencies to deliver shared resources expeditiously.

All states have disaster risks of sufficient magnitude to justify the disaster preparations recommended in this document.

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1 NATIONAL UI DISASTER PREPAREDNESS PLAN

The Federal/state unemployment insurance (UI) program provides a major source of financial assistance to unemployed American workers. When a disaster disrupts the economy and employment within a state, the UI/Disaster Unemployment Assistance (UI/DUA) programs provide financial assistance to residents of the affected areas who are unemployed as a result of the disaster. After disaster victims are rescued and immediate threats to life and property are reduced, state UI agencies, as insurers of employment, act as secondary responders to distribute UI and DUA payments to eligible claimants in the affected area.

Federal law requires the state UI agencies to perform basic functions including paying benefits to claimants and establishing employer tax accounts in a timely manner, even in the event of a disaster. In the case of a disaster, state UI agencies act in a secondary responder role that requires state UI agencies to recover from damages to their resources while responding to a potential rapid increase in UI and DUA claims resulting from the disaster. This is a daunting challenge for which a significant amount of advance planning is necessary if state UI agencies are to fulfill their mission in such circumstances.

The United States Department of Labor (USDOL) National Office (NO), USDOL Regional Offices (ROs), Federal Emergency Management Agency (FEMA), and the 53 state UI agencies have specific roles to play in planning for, developing, and managing UI disaster responses.

1.1 PURPOSE

With the distribution of a National UI Disaster Preparedness Plan (referred to hereafter as “the Plan”), USDOL seeks to encourage state UI agencies to develop the necessary capabilities to successfully perform their secondary responder roles in the aftermath of a major disaster. A major disaster large enough to affect the workforce system of a portion of a state occurs roughly every 15 years in the United States (US). Because of this infrequency, the state of disaster preparedness is relatively low, requiring a major regional event such as occurred in the Gulf Coast states in August 2005, to refocus attention on the requirements.

No state UI agency has enjoyed the political and social mandate necessary to finance disaster preparation adequate for all disaster contingencies. Consequently, states will require assistance from other state UI agencies at some level of disaster response. That no state UI agency possesses the resources adequate to meet all disaster contingencies does not necessarily argue poor planning or misplaced economy. For a state UI agency to maintain resources for a worst case scenario may be economically unfeasible. The risk-cost equation may not justify the additional investment in the rarest contingencies, especially if other resources are available to mitigate its effects.

The collective response of a dozen state UI agencies to Hurricanes Katrina and Rita demonstrated that state UI agencies can cooperate with each other. The central element of the Plan is the requirement for state UI agencies to cooperate with one another in advance of the disaster(s) that will inevitably affect some state UI agencies. Specific organizational and technical modifications are recommended that should assist state UI agencies in advance planning at the interstate level. Cooperation between state UI agencies will be necessary to ensure continued state UI operations and sustain the national employment insurance program during a major disaster.

The Plan provides a common approach under which state UI agencies may develop their own plans for mitigation and response to a disaster. The Plan defines a national resource context under which state UI agencies may augment their disaster response resources with the resources of cooperating state UI agencies and the Federal government. Building on existing technical resources, the Plan establishes infrastructure strategies and an interstate organization that will allow all state UI agencies to plan for cooperative disaster assistance in advance of an actual disaster.

The Plan defines formalized disaster roles and responsibilities for the major stakeholders (USDOL, ROs, and state UI agencies) in the UI/DUA programs that will ensure the continuation of the country's major insurance program under virtually all circumstances.

1.2 OBJECTIVES

The objectives of the National UI Disaster Preparedness Plan are to establish the framework, protocols, methods, and organizations to:

- Ensure state UI agencies are able to provide timely and efficient services.
- Provide recommendations for Federal, state, and local agencies to establish continuity of operations within their respective agency.
- Implement solutions for timely and efficient continued operations in UI to support an organized disaster response.

The Plan also provides a uniform strategy for the augmentation of resources of a state UI agency whose UI/DUA operations have been rendered insufficient from the:

- Effects of a natural or manmade disaster that results in the denial of one or more resources of the agency; and
- onset of a mass unemployment event (MUE) of any origin.

The recommended actions set forth in this plan are intended to improve the affected state UI agency's claims processing capacity by augmenting claims processing operations and assisting the affected state UI agency, or agencies, to recover full operational capacity in a timely manner.

Because the type and nature of threats to the state UI/DUA systems are diverse, encompassing adversities due to weather, volcanic action, terrorism, war, nuclear accident, earthquakes, disease, and manmade structure failures, the Plan and each of the 53 state UI agency components should be:

- Maintained at a high level of readiness;
- Capable of implementation both with and without warning; and
- Operational no later than 24 hours after activation.

To meet the stated objectives requires the committed participation of each stakeholder, not only to analyze and prepare for the perceived threats, but to integrate a continuous cycle of reviewing, updating, exercising, and improving those plans into their organizations. This will require a strong organizational commitment by all stakeholders to create, organize, train, and publicize the plans and procedures of the UI community for disaster response during

disaster-free years. This level of commitment will assure the continued insurance of the nation's employment whenever and wherever disaster may occur.

1.3 PLANNING STRATEGY

Because the national UI system operates through 53 state UI agencies, it defines a singular attribute relevant to disaster preparedness, whereby there is no single point of failure in the national system. Disaster can severely limit the UI operations of one state, but the remaining state UI agencies can continue operations unabated and, in some instances, provide assistance to the affected state UI agency.

However, when a disaster does strike a state UI agency, there is minimal precedent for interstate UI agency disaster cooperation. The strategy underlying the development and implementation of the Plan uses the geographic and organizational dispersal of the UI system to augment the resources of an affected state UI agency.

In planning for disaster preparedness, the Plan adopts a state-centric approach. This approach assumes that each state UI agency is best equipped to evaluate threats, risks, and operational requirements. One size of response does not fit all state UI agencies due to:

- Different preparedness levels;
- Different threats;
- Varying risk levels;
- Varying degrees of automation; and
- Different funding for disaster planning.

The Plan assumes that each state UI agency is subject to one or more threats; the precise threats and their associated risks differ between state UI agencies. Each state UI agency has the responsibility to evaluate the threats and risks posed by the threats to determine what preventive and protective measures are appropriate to its circumstances. It is similarly assumed, by demonstration, that state UI agencies have the resources necessary for the conduct of normal insurance activities.

Based on data presented in the gap analysis portion of this document, state UI agencies are perceived to command the resources to process surges in claims volume and other insurance processing peaks up to twice that experienced normally. A small number believe that they could process up to five times the volumes normally experienced. No state UI agency possesses the funding to create and maintain a response for all disasters that might occur. Consequently, as depicted in Figure 1-1, the nominal state UI agency will require the rapid infusion of external resources when disasters produce claim volumes approaching twice normal levels. The least prepared state UI agencies may find that they will need external support long before twice the normal level is reached.

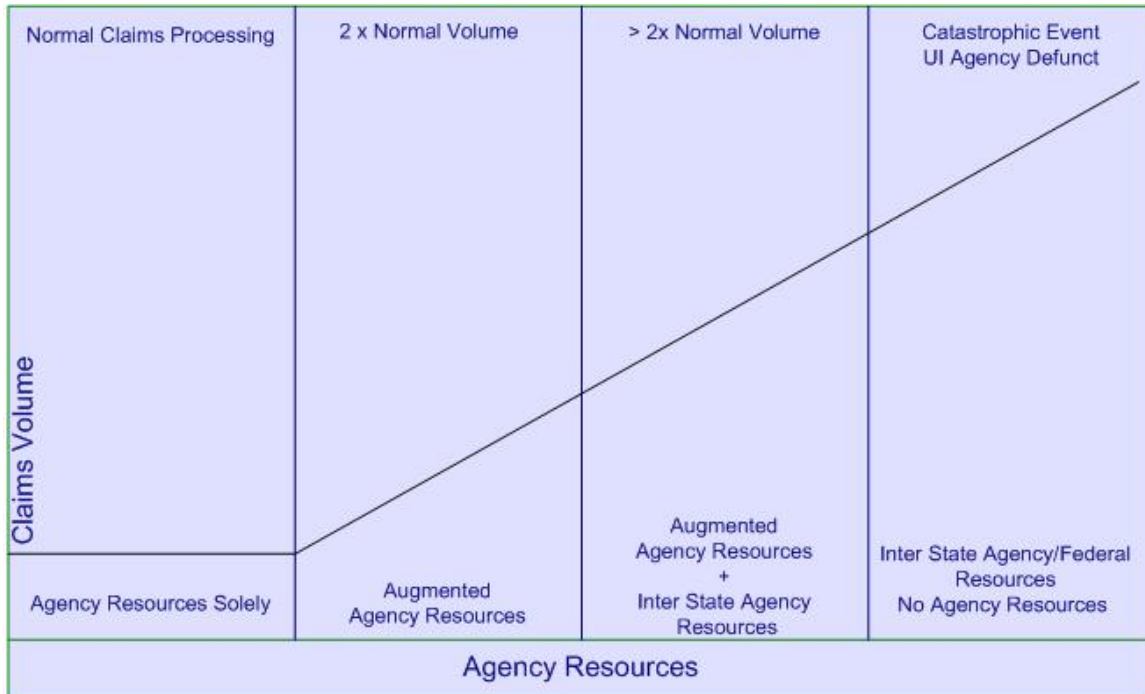


Figure 1-1. State UI Agency Resource Model

Just as threats and risks are relative to the various state UI agencies, the state UI agencies have widely varying capabilities to respond to disasters based on available resources and on the relative size of the workforce they insure. Consequently, some state UI agencies will need assistance before they reach twice the normal volume level, while others may possess resources to continue processing to higher levels. What is certain, however, is that as the claims volume passes through multiples of three, four, five, and six, the affected state UI agency will require more resources than it has at its immediate disposal.

The primary resource deficiency that state UI agencies will face in a disaster will be the shortage of trained staff to perform and manage the increased workload. State UI agencies may augment their personnel resources by a variety of practices including:

- Hiring additional temporary staff;
- Recalling retirees;
- Emergency contracting of services (including, but not limited to, telephone center services); and
- Requesting labor and support from other state UI agencies.

As the severity of the disaster increases in Figure 1-1, the larger the processing problem will become for the affected state and the more resources, primarily personnel resources, will be required. When these staff augmentation practices are exhausted, an event that may happen quite suddenly based on the observation of state UI agencies that have experienced disasters, other means of staff augmentation must be deployed.

The major alternative staff augmentation practiced by state UI agencies is the use of the internet and Call Centers as “force multipliers”. These methods shift significant amounts of labor to the claimant population by reducing the labor input from the state UI agency’s staff

per claim filing. By expanding these facilities, pressure on staff resources can be reduced before, during, and after a disaster.

The staff augmentation problem can be viewed as a function of the size of the state UI agency affected by the disaster. Larger, more populous states (New York, California, and Texas, for example) have larger claims processing capacities than smaller, less populous states, all else being equal. Consequently, an MUE of 70,000 initial claims per week in Louisiana (average initial claims - 3,000 per week) taxes state UI agency staff resources more severely than a similar numerical increase in New York (average initial claims - 25,000 per week). In the example, both states may require outside assistance, but Louisiana has the much larger processing problem, a greater than twenty fold increase in initial claims (relative to its resources) than does New York whose increase was threefold.

Denominating MUE thresholds as an increase over normal claim volumes will allow individual state UI agencies to decide what threshold best fits the insured population it serves. Some state UI agencies may assess the risks associated with the threats to the state UI agency functioning as relatively small or relatively remote, and then set the MUE threshold lower than a state UI agency that evaluates its threats as greater.

At the extreme upper limit, as depicted in Figure 1-1, is a catastrophic event in which the employment economy is reduced to nil and the insuring state UI agency destroyed. Fortunately, such a disaster is extremely rare. That one might devastate a state UI agency, rendering it incapable of reconstituting itself or resuming processing for the foreseeable future, is highly improbable. In such catastrophic circumstances - the aftermath of a nuclear attack on a city or region or the destruction of a metropolitan area by an earthquake - the performance of the employment insurance function should be undertaken by another state UI agency or the Federal government.

1.3.1 Disaster Planning Phases

The Plan addresses actions to be taken during the following disaster planning phases:

- Mitigation
- Response
- Recovery

1.3.1.1 Mitigation

Actions taken to reduce the adverse effects of a disaster on the state UI community should commence immediately and continue until all state UI agencies and the USDOL are adequately prepared to respond to threats against the community they serve.

Mitigating the effects of disasters and MUEs will be accomplished by:

- Developing and maintaining a self-service architecture for the automated filing of UI and DUA claims;
- Reliance on internet and Call Center technologies for filing claims;
- The seamless integration of staff augmentation with personnel, either remotely or in person, from other state UI agencies via UI Interstate Disaster Planning Councils (UIDPCs); and

- Developing and maintaining adequate, appropriate plans governing the response to disasters

1.3.1.2 Response

The actions taken to reduce the adverse effects of a disaster to the affected state UI agency, or agencies, define the “response” phase of a disaster.

A declaration by the President of a national disaster in which personal benefits are authorized triggers the DUA program for the affected region. A surge of UI/DUA claims experienced by a single state UI agency may trigger a response to an MUE. A denial of resources to a state UI agency may trigger a response when the denial of resources significantly affects the processing capability of the state UI agency. The responses are triggered as follows:

- DUA program – Presidential Disaster Declaration with personal benefits
- MUE Response (UI and/or DUA) – Agency request
- Denial of Resources – State UI agency RO request, as appropriate to the circumstances

1.3.1.3 Recovery

The disaster phase in the typical disaster taxonomy including reconstruction of buildings, the reestablishment of external services, and the return-to-normal operations determination, is not addressed in the Plan. The Plan focuses on disaster preparedness, however, the recommended actions made under the response category, if carried to their logical conclusion, will provide a roadmap for state UI agency MUE recovery. Overall, state UI agencies will recover from resource denial disasters using the plans and procedures of their individual state preparedness organizations.

1.3.2 Threats, Risks, and Vulnerabilities

The standard disaster planning matrix assesses the threats to specific targets, identifies vulnerabilities in the target, and assigns risks accordingly. When the costs of mitigating the risks appear too expensive, given the probability of its occurrence, the decision is typically to accept the risks and reject mitigation steps. At the state UI agency level, this matrix works adequately. As part of each state UI agency’s risk assessment, these factors should be evaluated. The results should guide planning and resource allocation for mitigation, response, and recovery from disasters.

The planning matrix, as described above, in which risk is balanced against the cost of preparation, is less compelling when applied state by state in a national plan. A national disaster plan must account for the entire nation. That some state UI agencies have few threats and low risks does not permit those state UI agencies to ignore disaster planning. The sole agency empowered to insure workforce security in a state is the state UI agency, a single point of failure. Because the UI and DUA programs are critical to the state’s economic recovery from disaster, the cost of failure is too large to risk.

From this point of view, the probability of a disaster occurring within any given state must be assumed to be 100 percent; an employment-disrupting disaster will occur in the state, only the timing and severity of disruption are unknown. Consequently, each state UI agency must devote a portion of its annual funding to ensure it will survive whatever threats it may face.

The Gulf States regularly experience disasters caused by hurricanes; northern Midwestern states have never been threatened by a hurricane in recorded history. West Coast states must prepare for earthquakes, tsunamis, and related threats; Midwestern states are rarely affected by these threats. Conversely, the threat of a disease pandemic affects all states equally, as well as a plethora of manmade threats. A cursory review of FEMA's list of natural and manmade threats (<http://www.fema.gov/hazard/>) is sufficient to determine every state is at risk from one or more credible threats that may produce significant disruption of the economy and employment of the state.

Each state UI agency has sufficient threats to its operations which is reason to require a comprehensive Continuity of Operations Plan (COOP) and Disaster Response Plan (DRP). From the national plan perspective, every state UI agency must be able to survive (or recover from) a disaster and continue to operate.

State UI agencies with higher occurrences of disaster tend to be better prepared than are state UI agencies with lower disaster occurrences. Higher-risk states have conducted risk assessments and made appropriate plans while other states, irrespective of risk, have done so less frequently. UI agencies in states with frequent disasters have had, and continue to have, the opportunity to evaluate, exercise, and improve their response planning based on prior experience. It may appear counter-intuitive, but those state UI agencies that may find disaster planning difficult to implement are likely to be those that are perceived least likely to experience a disaster.

1.3.3 Types of Disaster

The Plan anticipates two disaster types that may cause state UI agencies to seek resources outside the state:

- Resource denial disaster
- Mass unemployment event (MUE)

The most difficult circumstance for which the national UI system should plan is the combination of events in which a state UI agency's resources are damaged by a resource denial disaster while the state UI agency responds to an MUE. At the point in time when state UI agency resources are stressed by rapidly increasing claim filings, those resources are denied to the state UI agency by the effects of the disaster.

An example of such a convergence of events may be found in Louisiana and Mississippi in the aftermath of Hurricanes Katrina and Rita in 2005 whereby the MUE factor exceeded ten. In particular, the Louisiana Department of Labor's (LDOL's) telephone system collapsed, some state UI agency offices were destroyed, the United States Postal Service (USPS) failed to deliver mail, and portions of the state UI agency staff went missing. Further, the MUE response was complicated by significant numbers of claimants evacuating to other states.

1.3.3.1 Disaster Type Definition: Denial of Resources

A denial of resources is an adverse event resulting from manmade or natural causes that severely damages or terminates the operations of the state UI agency. This disaster type might occur, for example, if the state UI agency processing facilities were partially or totally destroyed by a disaster such as a hurricane, fire, earthquake, or terrorist strike. The most frequent type of disaster affecting state UI agencies' results is a reduction of the resources on which state UI agency operations depend. The resources may be owned by the state UI

agency or by other entities in the community. Flooded headquarter buildings, a debilitating fire in a computer facility, or the absence of the state UI agency's staff due to illness are examples of the denial of state UI agency-owned resources.

A state UI agency operates in a complex, interdependent matrix of resources: its own internal resources, those of the state, county, and community, and those of the Federal government. These resources make possible the processing of claims. Major damage to the electrical grid or the inability of the USPS to deliver mail to a zip code are community resource failures that may adversely affect the state UI agency, making claims processing difficult or, in extreme cases, impossible.

During the lessons learned study from which the Plan flows, the following non-exhaustive resources were identified as necessary to complete state UI agency processing of claims:

- Agency resources
- Business continuity/emergency response plans
- Workforce
- Management team
- Agency-external communications
- Agency-internal communications
- Main office physical plant and related services
- Local/regional offices
- Physical security
- Alternate emergency facilities
- Call centers
- Interstate Connectivity Network (ICON)
- Payment operations/payment media
- IT systems infrastructure
- Telecommunications infrastructure
- Emergency contracting authority
- Disaster coordination websites
- ETA One-Stop Centers
- Community resources
- USPS
- Other delivery services
- Communications infrastructure
- Voice service – wire

- Voice service – wireless
- Voice service – satellite
- Data network service – all sources
- Public infrastructure
- Banking services
- Electricity
- Motor vehicle petroleum, oil, and lubricants
- Public/private transportation
- Public security
- Federal resources
- Internal Revenue Service (IRS)
- National Guard
- FEMA
- Social Security Administration (SSA)
- General Services Administration (GSA)

A state UI agency may employ a subset of the resource list's elements. It is equally likely that a state UI agency may use resources absent from the list. The breadth and scope of resources state UI agencies use in their operations provides an estimate of the dependence of state UI agencies' operations on resources beyond their immediate control.

1.3.3.2 Disaster Type Definition: Mass Unemployment Event

An MUE is defined as a rapid, sustained increase in unemployment claims to levels significantly above those normally experienced in the region. MUEs are the consequences of extreme disruptions of the employment economy by manmade or natural means. Natural or manmade disasters have caused an MUE, however, other non-disaster phenomena could produce an MUE. Examples of alternative causes include financial panics, extreme energy shortages, or disease pandemic. Irrespective of its origin, the state UI agency's response to an MUE will be the same.

1.3.3.3 MUE Frequency of Occurrence

How frequently can MUE-producing events be expected to occur? If the past is a prologue to the future, an MUE can be expected to occur about once every fifteen years. A non-exhaustive compendium of major US disasters from the last 150 years in which significant workforce dislocations occurred suggests that the MUE-producing hurricane disasters of 2005 are not unusual:

- Great Chicago Fire, 1871
- Johnstown, Pennsylvania Flood, 1889
- Galveston, Texas Hurricane, 1900

- Great San Francisco Earthquake, 1906
- Great Mississippi River Flood, 1927
- Vanport, Oregon Flood, 1948
- Gulf States, Hurricane Betsy, 1965
- Gulf States, Hurricane Andrew, 1992

Lest it appear that the focus is on floods, hurricanes, and earthquakes, FEMA's list of disaster includes more than seventeen manmade and natural causes of disaster from chemical spills to disease pandemics that, in the proper circumstances, are capable of producing an MUE.

1.3.3.4 Normal and MUE Claims Volumes

It is important, in planning for an MUE response, to understand the size of an MUE relative to the normal claims processing volumes of a state UI agency. State UI agencies have performed satisfactorily for decades in their responses to seasonal workforce fluctuations, mass layoffs, and other transient workforce dislocations. They have also processed hundreds of declared disasters in which DUA has been paid. Both the interviews and the state UI agency evaluations, performed as part of the present project, produced results suggesting that the state UI agencies have the capability of handling a short-term doubling of their claims volume without resorting to external resources.

Figure 1-2 illustrates the comparison between normal claims volume versus an MUE claims volume. It depicts the relationship of the actual claims volumes from the Gulf States in the aftermath of Hurricanes Katrina and Rita with the volumes of unemployment claims that may be experienced in an MUE. For each of the five Gulf States affected in 2005, claims volumes were calculated. The 2003-2004 average claims volume for the fourth quarter (September through December), the 2005 claims volume for the same period, the claims volume of the state's processing capacity (two times the normal volume), a five-fold increase in claims, a tenfold increase in claims, and a twenty-fold increase in claims is illustrated.

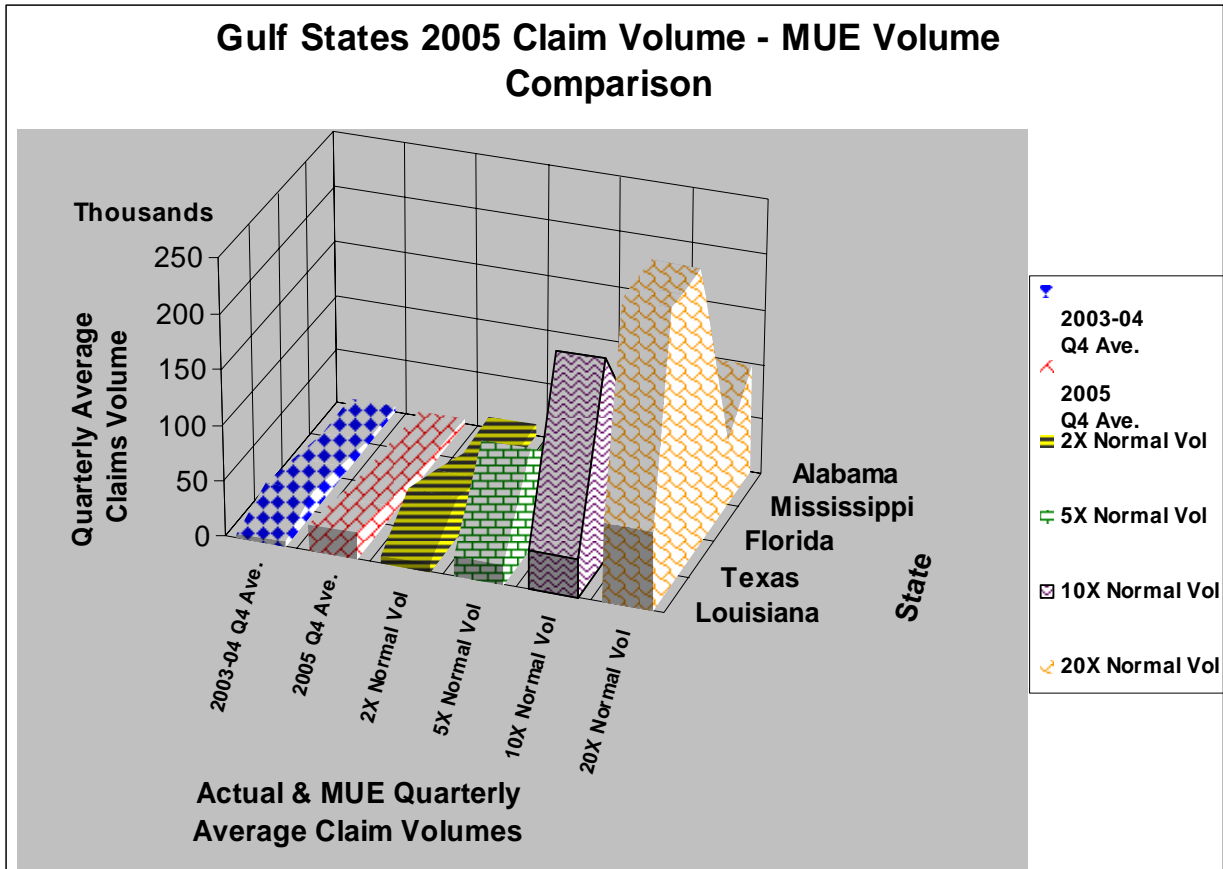


Figure 1-2. MUE Claim Volume Comparison

This comparison makes clear the relative claim volumes that may be associated with an MUE. By this measure, Louisiana experienced an MUE seven times normal claims volume during the fourth quarter of 2005. Compared to a ten- or twenty-fold increase, Louisiana’s experienced rate is dwarfed. Compared to the more populous states of Florida and Texas, Louisiana’s MUE is numerically overwhelmed. The potential for much larger MUEs than Louisiana’s and Mississippi’s clearly exists.

Figure 1-3 presents a comparison of normal versus MUE unemployment rates for the Gulf States based on 2004 and 2005 actual unemployment. The comparison illustrates the upper bound of MUE rates and the relative rates in the 2005 MUE. The examples make clear the overwhelming size of the MUE in comparison to normal processing activities.

Gulf States 2005 Annual Unemployment Rates vs MUE Threshold Rates

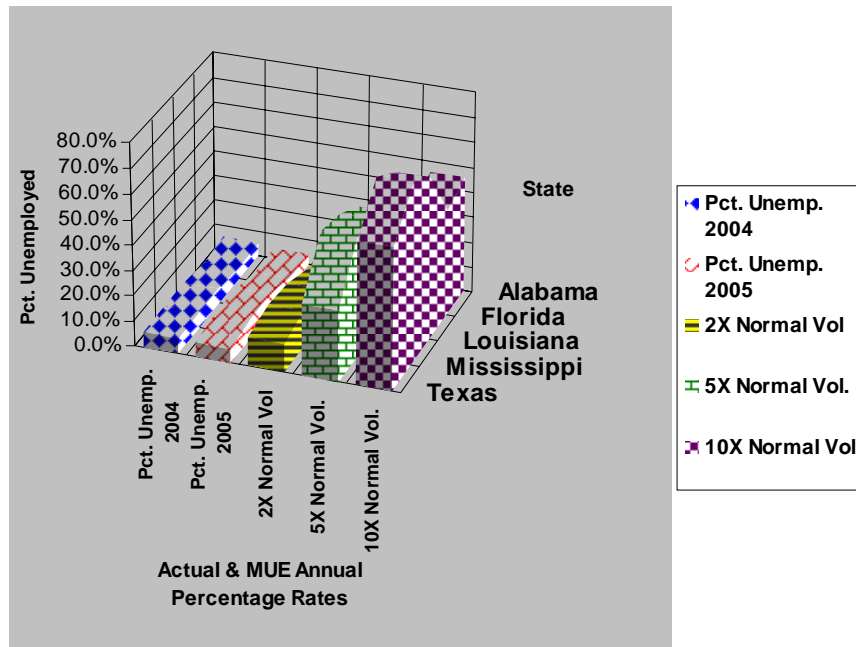


Figure 1-3. MUE Unemployment Rate Comparison

Note that in the context of percentage rates, the maximum rate is a function of the initial or normal rate. Once 100 percent of the employed population has filed claims, there is, in theory, no one left to file further claims.

1.3.3.5 Factors Influencing MUEs

The occurrence of an MUE appears to be the convergence of enabling factors including:

- Relatively large, densely populated metropolitan area in which a large proportion of a state’s workers and employers reside;
- Relatively large number of employees and employers;
- Disaster of sufficient magnitude to disrupt the employment economy for an extended period; and
- Relatively weak local economy in which significant amounts of unemployment already exists.

The population characteristics of the most populous and most densely populated states provide some guidance as to where the risk of an MUE is greatest. A state with a small, distributed population is less likely to experience an MUE than a populous state with a high population density if both are subjected to a similar disaster. However, the ability to meet the processing requirements of an MUE may be partially mitigated by the larger resources and capacity of the state UI agency of a more populous state than that of a state UI agency in a state with a smaller population.

In addition to the enabling factors cited above that are external to the state UI agency, there are also enabling factors that are internal to the state UI agency that determine the state UI agency's ability to process an abnormally high number of claims.

Every state UI agency sizes its Resource Justification Model (RJM) that justifies the number of employees it has and its automated processing systems to process a "normal" claim volume for the state in a timely manner. Normal claim volume is typically determined by average prior claim volumes adjusted for projections of population growth and future unemployment rates in the state. The obvious result of this process is that claim processing capacity varies from state to state based on the state's population, with the more populous states usually having a higher processing capability.

Another, less obvious, result is that few state UI agencies have more claims processing capacity than they normally need. Some state UI agencies may include a small safety factor if they can justify or afford to do so but, in general, it's safe to assume most state UI agencies will be operating near, or at, their maximum capacity when an MUE occurs. However, if the state unemployment rate is low when the MUE occurs, the state UI agency will have more capacity available. If the unemployment rate is high, they will have less.

These variations in claim processing capacity, not only from state to state but also, from time to time, within a state, must be taken into account when determining a particular state UI agency's ability to cope with a particular MUE and determining appropriate metrics to define when an MUE has occurred and how severe it is.

1.4 ASSUMPTIONS

The Plan makes the following assumptions:

- UI and DUA eligibility requirements will remain relatively unchanged for the foreseeable future.
- UI and DUA programs will remain intertwined by virtue of their eligibility requirements.
- State UI agencies will administer and process UI and DUA claims.
- The USDOL will perform its current oversight role for state UI agency processing of UI and DUA claims.
- The RO structure of the USDOL will remain unchanged.

1.4.1 Stakeholder's Roles and Responsibilities

The following Federal and state government agencies are direct stakeholders in developing and managing disaster response preparations:

- USDOL NO
- ROs
- State UI agencies
- FEMA
- UIDPCs

The roles and responsibilities described below for the USDOL NO, ROs, and state UI agencies are only those roles and responsibilities that are germane to this plan. Some of the administrative and coordination roles and responsibilities may already be included in the ET Handbook No. 356 (DUA) and other similar Federal UI guidance publications.

1.4.2 USDOL National Office (NO)

The major roles played by the USDOL NO in preparation for, response to, and recovery from a disaster are:

Policy and Program Guidance and Oversight

- Promote state UI COOP planning, development, testing, and updating on an annual basis.
- Work with state UI agencies to establish a disaster response position(s) within each state UI agency.
- Facilitate and support the establishment of UIDPCs, as deemed necessary.
- Provide policy guidance and interpret Federal laws and regulations related to disaster situations.
- Provide guidance on and/or facilitate interagency agreements.
- Provide interpretation of federal UI laws and regulations.
 - An element of mitigation and response that should be clearly defined is the degree to which regulations and reporting can be modified, extended, or eliminated. A clear understanding should be available to all stakeholders. It is assumed this could be accomplished through the existing system that provides interpretation of Federal UI laws and regulations.
- Initiate modifications to Federal UI laws and regulations.
 - Certain elements of this plan will require changes to statutes, regulations, or previously published direction Unemployment Insurance Program Letters (UIPLs). It is assumed this could be accomplished through the existing system that initiates modifications to federal UI laws and regulations.
- UI program administration.
 - Administer the UI program in normal times and in disasters.
 - UI reporting.
- Initiate Federal interagency agreements.
 - Certain agreements between the UI community and federal agencies can best be accomplished by USDOL. An example of this is the use of IRS email system for wage verification. Other candidates include the USPS and FEMA.

1.4.3 Regional Offices

The major roles played by the ROs in preparation for, response to, and recovery from a disaster are:

- Monitoring, technical assistance, and onsite support.
- Provide support to states in development of their COOP.
- Establish and maintain ongoing communications with state staff.
- Facilitate funding requests such as DUA funding from FEMA.
- Provide technical assistance concerning federal guidance.
- Decide and issue second level DUA appeals.
- Assist in preparation of SBRs.
- Develop training/conduct training (one-on-one training and other).
- Coordinate augmentation support from assisting state UI agencies.
- Define DUA program implementation requirements.
- Ensure that DUA payments are supported by documentation.
- Provide final administrative appeal for DUA claims.
- Facilitate increased funding through estimating increased workload as a result of a disaster/MUE.
- Assist state UI agencies in preparation and modifications of SBRs as appropriate.
- Provide advice and council to senior management in affected state UI agency.
- Assist states by taking claims in the event of a catastrophic event.
- Participate in the development of the UIDPCs and provide ongoing support. It is assumed there will be at least regional elements, if not regional councils or sub councils, involved in this effort.
- Coordinate disaster and MUE support from assisting states.
- Ensure states submit accurate and timely reports during disasters and MUEs.
- Conduct on-site monitoring of the DUA program.
- Coordinate and standardize state UI agency's recommended business impact studies and disaster training.
- Assist the state UI agencies in their region to identify and consolidate their needs for the recommended supplemental office space.

1.4.4 State UI Agencies

The major roles played by the state UI agencies in the preparation for, response to, and recovery from a disaster are:

- Develop state:

- UI COOP to ensure continued UI operations and, as appropriate, DUA operations in an efficient and timely manner.
- UI/DUA benefits disbursement strategies appropriate to the local situation for disaster and non-disaster situations.
- Ensure that the COOP:
 - Includes alternative strategies for timely adjudication and appeals functions in disaster situations.
 - Identifies and prioritizes all essential agency functions.
 - Establishes and identifies staffing and resource requirements needed to perform essential functions.
 - Includes measures to maintain state UI agency internal security during disaster and MUE situations.
 - Is implemented, tested, and maintained.
- Identify mission critical data and systems necessary to conduct essential functions.
- Integrate supporting activities to ensure that essential functions can be performed as efficiently as possible during emergency relocation.
- Create, operate, and maintain state-level UI and DUA programs.
- Maintain skilled DUA staff.
- Prepare disaster forms and operating procedures in advance and distribute them to the appropriate staff.
- Take UI and DUA claims in an efficient, timely manner.
- Efficiently and effectively process UI and DUA claims.
- Ensure timely receipt of payments by claimants.
- Ensure applicable fiscal and statistical reports are accurate and submitted in a timely manner.
- Conduct adjudication and appeals functions in a timely manner.
- Establish staffing and resource requirements needed to perform essential functions.
- Develop, operate, and maintain automated systems to support UI processing.
- Implement information technology (IT) continuity plans, test the plans, and maintain them.

1.4.5 Federal Emergency Management Agency (FEMA)

FEMA's purpose is to coordinate the response to a disaster which has occurred in the US and which has overwhelmed the resources of local and municipal authorities. Generally, the governor of the state in which the disaster occurred must declare a state of emergency and

formally request from the President of the United States that FEMA and the Federal government respond to the disaster.

While on-the-ground logistical support for disaster recovery is a major part of FEMA's charter, the agency is also responsible for the disbursement of government funds for rebuilding efforts and relief funds for individual citizens and businesses. The DUA program is funded by FEMA, but claims are administered by the state UI agency of the affected area. The final appeal authority for the DUA program is the ROs.

1.4.6 UI Interstate Disaster Preparedness Councils (UIDPCs)

The purpose of the UIDPCs is to provide an institutionalized means for defining, delivering, and monitoring staff augmentation and other services between a disaster-affected state and assisting states. This organization, whose membership may consist of representatives from the state UI agencies and the appropriate ROs, will focus its efforts on the augmentation of resources of the disaster-affected state UI agency. The councils will make the necessary pre-disaster plans to augment Call Centers, adjudication staff, and other critical path resources for the disaster state.

1.5 RECOMMENDED ACTIONS

This section presents recommended actions for the policies, procedures, and infrastructure to implement the Plan at the national level. The recommendations are for actions to be taken by the USDOL and the state UI agencies. A new entity, introduced previously, the UIDPC, will augment state UI agency resources through a planned cooperative response by state UI agencies unaffected by the disaster. The recommended actions are identified by the disaster type they address, the lead agency (where appropriate) responsible for implementing the action, and implementation priority.

Table 1-1 presents a summary of recommended actions by disaster type, lead agency, and priority.

Table 1-1. Plan Recommended Actions

Section	Phase/Recommendation Actions	Disaster Type	Lead Agency	Priority
Mitigation				
1.5.1.1	Assign Emergency Planning Responsibility	C	S	1
1.5.1.2	Continuity of Operations Plan (COOP)	R	S	1
1.5.1.3	COOP Maintenance Plan	C	S	1
1.5.1.4	COOP Independent Assessment	C	S	1
1.5.1.5	Risk Analysis and Business Impact Study	C	S	2
1.5.1.6	Emergency Staff Contact Plan	R	S	2
1.5.1.7	Public Disaster Communications Plan	C	S	2
1.5.1.8	Asset Management Program	R	S	2
1.5.1.9	Response and Recovery Training	R	S	1
1.5.1.10	Emergency Operations Center (EOC)	R	S	3
1.5.1.11	Emergency Procurement Authority	C	S	2
1.5.1.12	Local and State Emergency Council Membership	R	S	2
1.5.1.13	Critical Path Systems Assurance	R	S	3
Response				
1.5.2.1	Improve Computer Communication	M	S	3
1.5.2.2	Emergency Satellite Telephone Communications	R	S	4
1.5.2.3	Flexible Payment Systems	M	S	3
1.5.2.4	Develop UI Interstate Disaster Preparedness Councils	M	NO	1
1.5.2.5	Improve USDOL/FEMA Coordination	C	NO	1
1.5.2.6	Establish a National Interstate Disaster Communications Bulletin Board	C	NO	1
1.5.2.7	MUE Response Plan	M	S	1
1.5.2.8	Integrated DUA/UI Internet claims taking	M	S	4
1.5.2.9	Internet UI/DUA Claims Query/Updates	M	S	3
1.5.2.10	Modernize Telecommunication Networks	M	S	3
1.5.2.12	Supplementary Office Space	M	S	4
1.5.3.1	National Directory of New Hires (NDNH) Update	C	NO	3
1.5.3.2	Alternate State UI/DUA Filing	C	NO	3
1.5.2.11	Modify Law to Permit De-Obligating Disaster Support Funding	M	NO	4

Table Legend:

Disaster Type: R= Resource Denial Disaster; M = MUE; C = Combination

Lead Actor: S = State UI Agency; NO = USDOL National Office; RO USDOL Regional Office

Priorities:

1: Action must be undertaken immediately. The highest priority.

2: Action with little to no implementation costs.

3: Improvements to general UI processing infrastructure that will support general operations and disaster response.

4: Improvements to operations for disaster purposes primarily that have little effect on daily operations, but a high return on investment.

Table 1-2 summarizes the same elements by the order in which the Information Technology Support Center (ITSC) anticipates the recommendations should be performed based on a schedule from immediate to more than four years in the future. The table further categorizes each recommended action by estimated cost (Low, Medium, and High).

The recommended actions do not address operational responses to disasters at the level of individual state UI agencies, but instead are focused on those actions that should be taken at the national level to improve disaster preparedness. Over the course of the project, the USDOL, the workgroup, state UI agency staff and the National Association of State Workforce Agencies (NASWA) made many excellent observations and operational suggestions, which have been used to help guide and refine the development of the Plan.

As discussed in Section 1.3.3, the national UI system should plan for the following disaster types:

- Resource denial disaster
- MUE
- Simultaneous resource denial disaster and MUE

The context in which the recommended actions are presented assumes that many of the actions could appear in multiple disaster types and involve multiple lead agencies. It is equally true that the priorities assigned may vary, depending on the threat/risk matrix experienced by a specific state UI agency.

Table 1-2. Plan Recommended Actions by Lead Actor and Order of Execution

Section	Lead Agency/Recommendation Actions	Order of Execution
States		
1.5.1.1	Assign Emergency Planning Responsibility	1
1.5.1.6	Emergency Staff Contact Plan	1
1.5.1.7	Public Disaster Communications Plan	1
1.5.1.11	Emergency Procurement Authority	1
1.5.1.12	Local and State Emergency Council Membership	1
1.5.1.2	Continuity of Operations Plan (COOP)	1
1.5.1.2	MUE Response Plan	1
1.5.1.3	COOP Maintenance Plan	2
1.5.1.8	Asset Management Program	2
1.5.1.9	Response and Recovery Training	2
1.5.2.3	Flexible Payment Systems	2
1.5.2.8	Integrated DUA/UI Internet claims taking	2
1.5.2.12	Supplementary Office Space	2
1.5.1.5	Risk Analysis and Business Impact Study	2
1.5.2.12	Internet UI/DUA Claims Query/Updates	2
1.5.2.2	Emergency Satellite Telephone Communications	3
1.5.1.4	COOP Independent Assessment	3
1.5.2.1	Improve Computer Communication	3
1.5.1.10	Emergency Operations Center (EOC)	3
1.5.1.13	Critical Path Systems Assurance	3
1.5.2.10	Modernize Telecommunication Networks	3
National Office		
1.5.2.6	Establish a National Interstate Disaster Communications Bulletin Board	1
1.5.2.5	Improve USDOL/FEMA Coordination	1
1.5.2.4	Develop UI Interstate Disaster Preparedness Councils	1
1.5.3.2	Alternate State UI/DUA Filing	2
1.5.3.1	National Directory of New Hires (NDNH) Update	3
1.5.2.11	Modify Law to Permit De-Obligating Disaster Support Funding	3

Table Legend:

Order of Execution:

- 1: Action should be undertaken immediately
- 2: Action should be instituted in the next two – three years
- 3: Action should begin in the next five years

The prioritization of recommended actions reflects the ITSC’s thinking and is not prescriptive in nature.

1.5.1 Recommended Actions for Resource Denial Disasters

The most frequent type of disaster affecting state UI agencies results in a reduction of the resources on which state UI agency operations depend. The resources may be owned by the state UI agency or by other entities in the community. The recommended actions in this section are intended to assure the continued operation, replacement of lost resources, and/or the reconstitution of operations of a state UI agency after a disaster in which one or more state UI agency resources have been compromised.

1.5.1.1 Assign Emergency Planning Responsibility

Disaster planning is best effected by a number of teams, each consisting of more than one person. However, there needs to be one person who is clearly tasked to lead disaster planning efforts. That person, as well as the other team members, needs to be trained up front, not assigned the job after a disaster occurs. The state UI agency should assign emergency planning responsibility to a designated employee(s) whose major responsibility will be the development and maintenance of the state UI agency's emergency response policy and plans.

The emergency management coordinator should supervise the teams that will write the COOP subsections dealing with:

- Management and coordination
- Computer operations
- Off-site storage
- Restoration of the damaged area
- Systems software
- Applications
- Data preparation
- Communications
- Supplies
- Office systems and staff
- Administration
- Transportation

In each team, the tasks assigned to any individual should be known and able to be undertaken by another person.

1.5.1.2 Continuity of Operations Plan (COOP)

Continuity of operations planning allows for the continuation of the essential functions of state UI agencies during any incident or emergency that may disrupt typical, normal operations.

Continuity of operations planning addresses the recovery of critical and essential state UI agency operations in the event of an incident or emergency which disrupts service. Each state UI agency should have a viable COOP that addresses:

- Short-term events, like a power failure, where having a backup capability (systems, personnel, processes, files, etc.) can quickly resolve the situation.
- Long-term events, such as a major hurricane or manmade event where services are impacted for several days or weeks. For this long-term denial of service, state UI agencies may need to plan for relocation to an alternative facility.

The Plan includes only those elements that were identified as a result of documenting lessons learned and/or performing the gap analysis. A complete guide would include more recommendations than are included here and is out-of-scope for this plan partly because they are readily available through numerous sources.

The gap analysis performed as part of this project concluded that about two-thirds of the state UI agencies had a formal COOP. Significantly, fewer state UI agencies exercised and updated the COOP annually; leaving about 25 percent of state UI agencies with COOPS that may be considered viable.

State UI agencies without a COOP should create one as quickly as practicable. Without a basic plan for state UI agency survival, the remainder of the recommended actions is of significantly lesser value. Those agencies with unexercised COOPs, and those lacking annual updates, should immediately put into effect a COOP maintenance plan and commit state UI agency resources to follow its guidance in the future.

1.5.1.3 COOP Maintenance Plan

Maintenance of the COOP is critical to the success of an actual response/recovery. The plan must evolve to reflect any changes to the environment. Existing change management processes must be revised to take COOP program maintenance into account. In areas where no change management exists, developing such procedures is strongly recommended. The COOP itself should be evaluated periodically whereby the frequency of the evaluation should be consistent with the rate of new technology deployment and changes to agency operations.

The goal of exercising the COOP is to ensure that it will meet the criteria of restoring the state UI agency's operations. Numerous testing strategies should be evaluated until a strategy that's tailored to the state UI agency's specific environment is apparent.

There are many kinds of tests to consider when developing a COOP exercise program:

- **Checklist test**—A proofreading of the plan by all parties involved to ensure that nothing has been missed.
- **Structured walk-through**—A step-by-step analysis of how the plan works (what steps are performed, and by whom), from the objectives through to the details of recovery options. Again, representatives of all parties should take part in the test.

- **Simulation test**—A rehearsal or walk-through – state UI agency staff involved in the emergency response and recovery efforts go through the steps of the plan to ensure that such steps are feasible and effective.
- **Parallel test**—Backup systems are tested while production systems are operational to verify that backup processing is functional and produces the same results as the production systems.
- **Full-interruption test**—A live test in which production systems are interrupted and the state UI agency implements the COOP to test its ability to continue state UI agency operations.

These tests can be used individually or in combination as a part of the overall test strategy. The goal of the testing is to ensure that the strategies are comprehensive in scope and meet the state UI agency’s needs effectively.

The gold standard for COOP plan maintenance is the integration of formal emergency preparedness planning for operations continuity, resource assurance, disaster response, and MUE response into normal operations. The state UI agencies with the best disaster response histories are those that have incorporated preparedness planning into the normal routine of the agency and have taken the opportunity to regularly exercise all facets of their plans.

1.5.1.4 COOP Independent Assessment

Each state UI agency should have its COOP and related disaster preparedness plans independently evaluated after the plans have been installed and tested. Independent evaluations should be conducted every five years to ensure that the plans are workable, realistic, and current. The findings of the independent evaluators should be shared with the USDOL NO and ROs.

1.5.1.5 Risk Analysis and Business Impact Study

Risk analysis is a method for evaluating vulnerabilities of a state UI agency and the threats facing it. The analysis identifies the probable risks associated with the vulnerabilities and provides the basis for establishing a cost-effective plan program that eliminates or minimizes the effects of risks.

The risk analysis process provides state UI agency management with the information it needs to make educated judgments concerning disaster planning, response, and recovery issues; specifically, what to plan for and the thoroughness of the plan’s components. It identifies the policies and procedures that should be established to preserve the state UI agency’s ability to meet operational objectives in the event of the loss of resources.

The goals of risk analysis include identifying the preparations, procedures, and control that:

- Adequately respond to vulnerabilities and potential disasters; and
- Eliminate or minimize the effect(s) of a disaster on state UI agency operations

Each state UI agency should conduct a risk analysis and business impact study to assess the threats and risks to the state UI agency’s operations every five years.

1.5.1.6 Emergency Staff Contact Plan

Each state UI agency should have an emergency telephone contact plan for its staff. An emergency contact plan will provide efficient and effective emergency notification to state UI agency staff and will minimize personal injury, property damage, and confusion. A notification plan is essential to disaster preparedness to provide information to staff and to receive staff questions or requests.

A contact plan can be used to locate staff after a disaster, as well as to notify staff of the impending plans for state UI agency relocation or opening. Knowledge of state UI agency plans to reopen or staff-up will affect how staff members plan their activities and permit the state UI agency to plan for staff augmentation, based on the availability of current staff. It should be the responsibility of all state UI agency staff to become knowledgeable of their plan, ensure that their personal information remains updated within the plan, and participate in any activation of the plan when notified.

Given the propensity for some types of disasters to damage land lines and cell telephone towers, planning for alternative forms of notification, including local radio station announcements and email notification, should be undertaken.

1.5.1.7 Public Disaster Communications Plan

Each state UI agency should prepare a public communications plan specifically for disasters that includes:

- Provisions to communicate accurate and timely information and guidelines to the public about when, where, and how to file for UI/DUA benefits. These communications will be coordinated with the Regional FEMA Public Relations Office, which has assumed the responsibility of announcing the availability of DUA benefits.
- Steps to take to develop and disseminate educational materials for the public regarding UI/DUA benefits, again in coordination with FEMA.
- Development and dissemination of public service announcements (PSAs) and news releases pertinent to the type of disaster and appropriate to the phase of the disaster.
- Designation of personnel to coordinate media relations and support including response to requests from the media about the state UI agency operations and UI/DUA program specifics.
- Development of a library of brochures and educational materials which address a range of possible disasters.

In a disaster setting, public communication must be clear, concise, and accurate. State UI agencies should prepare their communications plan and develop the specific thematic messages they wish to convey before a disaster occurs. If significant numbers of employed speak English as a second language, the communications should be prepared in the first language for all major groups.

1.5.1.8 Asset Management Program

State UI agencies should establish an asset management program to facilitate resource tracking, replacement, and consolidation of equipment in preparation for a disaster. Asset management is a business philosophy and collection of work practices that help a state UI agency meet and sustain its service delivery goals over the long term, not just a disaster-related practice.

A comprehensive asset management program ensures that infrastructure assets deliver optimal service and that staff is properly equipped to meet the state UI agency's objectives. In preparation for a disaster, state UI agencies may engage in an asset management planning process whose steps include:

- Establish asset management objectives;
- Develop an inventory of the agency's infrastructure assets;
- Determine the condition of the assets relative to performance or level of service criteria;
- Determine funding requirements to ensure long-term asset performance;
- Calculate the replacement cost of the agency's assets; and
- Ensure alignment of the maintenance, operations, engineering, finance, information, and human resources functions as part of the COOP process.

With current asset management information in hand, a state UI agency is much closer to reproducing the entire state UI agency at a new location. Without such information, rebuilding is simply guesswork.

1.5.1.9 Response and Recovery Training

Each state UI agency should arrange for the regularly scheduled training of appropriate numbers and types of staff in disaster response and recovery in accordance to state UI agency plans and procedures.

This training program should consist of:

- COOP disaster response and disaster recovery awareness program(s) for its entire workforce; and
- Comprehensive readiness programs to ensure the preparedness of personnel assigned to carry out essential operations and functions during an event

Regularly scheduled training should be conducted to assure the readiness of all state UI agency emergency and non-emergency personnel. Training plans should be developed and implemented to prepare individuals and groups to accomplish certain tasks, using selected equipment under specific scenarios. This training may encompass a deliberate blend of hands-on activities, seminars, orientations, workshops, online or interactive programs, briefings, and lectures. Additionally, a variety of public and private sources, including FEMA and GSA, that offer training in various aspects of COOP.

The purpose of COOP training is to prepare state UI agency personnel to institute emergency operations, to use equipment and procedures, and to work with individuals with whom they have little contact during normal day-to-day operations.

The length of the training and the depth of the coverage of the information provided may vary based on the audience and method of training selected. Typically, if the audience is essential personnel, details of operations, communications, vital records, and alternate facilities will require extended discussion. Awareness training for the entire workforce might include topics such as compensation during an event, alert/notification procedures, work location, and information dissemination.

1.5.1.10 Emergency Operations Center (EOC)

Each state UI agency should create and maintain a designated emergency operations center (EOC) from which disaster response and recovery can be initiated. Alternatively, the state UI agency may coordinate disaster response and recovery from a state-level EOC. The EOC should be the central command and control facility responsible for carrying out emergency response and recovery functions at a strategic level in an emergency situation, and ensuring the continuity of operation of the state UI agency.

The EOC is responsible for the strategic, or “big picture,” of the disaster and does not normally control field assets. The EOC makes strategic decisions and leaves tactical decisions to lower commands. The function of the EOC is to collect, gather, and analyze data, make decisions that protect state UI agency staff and property, and maintain continuity of state UI agency insurance operations within the scope of applicable laws.

The most critical component of an EOC is the individuals who staff it. They must be properly trained and have the proper authority to carry out actions that are necessary to respond to the disaster. These individuals must have a thorough knowledge of the day-to-day operations of the state UI agency that may be tapped to route “assisting” state agencies’ inquiries to the correct persons within the agency’s operations matrix.

The second most critical component of an EOC is its communications system. It should ensure that both situational awareness information and strategic orders can pass in and out of the state UI agency without interruption. This requires that the UI agency designate one (or more) persons whose responsibility is to maintain and update communications information and to route inquiries properly.

Because the EOC communications center will literally become the state UI agency’s lifeline, it will be paramount that telephone numbers, email addresses, and other contact information be shared with the UI community. The most likely methods for implementing information sharing will be an agency EOC Web site, a common UI community Web site, or a combination of the two media.

The EOC and its integrated communication systems must be supported by an agency commitment to collect and distribute information. In an emergency setting, normal information distribution channels may not be available. States will need information to successfully conduct their roles, and there will be a myriad of information requirements from elsewhere in the UI community. The volume of critical information requests will require the full-time attention of one or more experienced senior staff or managers seven days per week, twenty-four hours per day.

1.5.1.11 Emergency Procurement Authority

Each state UI agency should have emergency procurement authority at a level commensurate with the response to reasonable risk. State UI agency officers should be able to waive the

policies and procedures outlined in the governing procurement policies, when necessary, under emergency conditions up to the level of the individual's delegated authority. The existence of an emergency situation should not preclude the use of the competitive bidding process in its entirety as is practical under the emergency requirements of the situation.

1.5.1.12 Local and State Emergency Council Membership

The state UI agency must become a player in the local and state emergency organizations and participate in those organizations' planning and exercise activities. Membership provides visibility and information. Understanding the role the state UI agency plays in responding to disasters which affect the labor market and infrastructure information will allow the state UI agency to plan more effectively with local and state organizations for disaster response. Successful state UI agency emergency responses are based in the matrix of community services. No state UI agency should expect to respond successfully to an emergency without the cooperation and assistance of the greater community of which they are a part.

1.5.1.13 Critical Path Systems Assurance

Each state UI agency should have a backup system in an emergency. For state UI agencies perceived to be at "highest" risk, the backup system should be a "shadow" support system that provides a way to administer a UI program for a state in the event of complete destruction/incapacitation of a state's UI agency.

1.5.2 Recommended Actions for Mass Unemployment Events

State UI agencies must be equipped with the appropriate tools to perform their role of insuring employment for beneficiaries. Modern IT and telecommunications equipment are critical force multipliers in the performance of UI claims operations. State UI agencies without such equipment may find themselves unable to respond and unable to seek external resources during an MUE.

1.5.2.1 Improve Computer Communications

State UI agencies should develop and maintain electronic communication with IRS, SSA, and other Federal agencies for data production and consumption.

During normal operations, the automatic verification of a social security number (SSN) may seem like a luxury to some state UI agencies, but during an MUE, when staff is overtaxed and time is short, automated systems become critical. The interviews, conducted during the lessons learned phase of this study, identified the SSA's verification service and the IRS's W2 and Tax Return services as important elements in reducing claims by ineligibles and verifying wages in the absence of employer records.

The key element in this recommendation is to use computers to perform as many processing tasks as possible, reducing the need for humans to perform the tasks.

1.5.2.2 Emergency Satellite Telephone Communications

State UI agencies should have an emergency plan to include the use of satellite telephones for agency communication.

The use of satellite cell phone services is a requirement for any disaster in which telecommunications are damaged or threatened. There are many different strategies for obtaining this equipment that do not require the outright purchase before a disaster occurs.

Each state UI agency should assess its need for disaster communications and make acquisition plans consonant with perceived risk.

1.5.2.3 Flexible Payment Systems

State UI agencies should maintain payment systems that are flexible and encourage payments by electronic funds transfer (EFT).

Electronic payments are preferable to all other payment media. They are faster, more reliable, less expensive, and do not rely on the USPS for delivery to claimants. In a disaster, mailboxes may be under water and the USPS may not be delivering to entire zip codes. However, EFT and electronic banking may continue to function.

The use of bank debit cards (BDCs) may reduce the requirements to process changes of bank account information at the state UI agency. Where citizens are repeat UI claimants this is not a major problem, since an issued card can be replenished. In a disaster response, the cards can be distributed to evacuees or mailed to those claimants who have registered with the USPS for general delivery service.

1.5.2.4 Develop UI Interstate Disaster Preparedness Councils (UIDPCs)

To enable continued organizational planning and to serve as the basis of cooperative support between state UI agencies, USDOL should establish a new interstate organization, the UIDPCs. The response by state UI agencies to support Louisiana and Mississippi in the aftermath of the Katrina/Rita disaster should be used as the foundation on which to establish permanent emergency support compacts between state UI agencies. The purpose of the UIDPCs will be to establish detailed plans and procedures for the members of each council to come to the aid of a member affected by a disaster.

The primary purpose of the UIDPCs will be to provide a basic planning mechanism by which all state UI agencies can develop operational plans for support in the event of a disaster. USDOL should assist the state UI agencies in establishing an interstate organization for systematic cooperative support to agencies experiencing an MUE. Further, each state UI agency should have a contingent agreement with one or more other states to serve as a secondary source of UI/DUA processing resources.

The use of capacity from other state UI agencies should be regularized to ensure that all parties have similar expectations about services and outcomes. Since state UI agencies can only plan systems with minimal excess capacity, a thorough evaluation of existing capacity must be made. USDOL may need to promote extra capacity development in selected states in return for their support during emergencies.

The Emergency Management Assistance Compact (EMAC), to which all state UI agencies except Hawaii are signatories, is adequate for the contractual requirements between the state UI agencies in which services, costs, and payments can be formalized. What must be developed in advance are the details of emergency support between assisting and affected state UI agencies. Which state UI agency will provide what resource in which circumstance? How will the support be initiated? Who will contact whom? These topics should be the focus of the UIDPCs. Establishment of a predefined suite of UI services for each state UI agency, coupled with integrating UI into the state emergency management response, should maximize the effectiveness of the state UI agency's emergency response.

The exact number of UIDPCs required and their relationship to the existing USDOL state regions are questions to be examined and resolved. Having a UIDPC per region may be desirable, but only if the necessary support resources exist within that region. Where resources cannot be found within a region, it may be necessary to expand the membership to include states with the requisite resources. As an example, a “kite and tail” structure may be useful, in which a large state provides the “kite” of excess resources to a long “tail” of non-contiguous smaller states.

1.5.2.5 Improve DOL/FEMA Coordination

USDOL should work with FEMA to improve coordination, communications, and processes. Specifically, USDOL should work with its FEMA counterparts to emphasize the importance of the state UI agencies as secondary responders. As appropriate, the state UI agencies should be provided access to FEMA emergency management sites in affected areas.

USDOL should work with FEMA to streamline and improve the procedures including estimation and accounting of DUA funds, and educate the state UI agencies on FEMA’s rules and regulations governing DUA.

1.5.2.6 Establish a National Interstate Disaster Communications Bulletin Board

The USDOL should establish a national disaster interstate bulletin board to support the real-time posting of UI operational directives to support processing disaster claims. The most frequent and persistent request of state UI agency staff to the authors is for up-to-date operational information along with the ability to contact, discuss, and obtain answers to operational issues.

1.5.2.7 MUE Response Plan

State UI agencies should maintain a specific plan for processing the higher volume of initial/continued claims resulting from a disaster. Most state UI agencies are accustomed to the bumps produced by small disasters, cyclical and seasonal claims volume changes, or the occasional spike produced by a major lay-off. Few have experienced a claims volume beyond a doubling of claims.

Planning for an MUE must augment the COOP to include solutions to the denial of those community resources needed to process claims from filing to payment. Without the USPS to deliver paper checks and other documents, it is not possible to complete the claims payment process for claimants who do not have bank accounts. Without EFT (and the telecommunications networks that carry the messages) or operating banks, it is not possible to complete the claims payment process for claimants with bank accounts. Without electrical service, a state UI agency’s computers will not operate. Even when state UI agency generators augment electrical service, if electrical circuits are not properly configured and tested, power flowing to the IT systems may be interrupted.

1.5.2.8 Integrated DUA/UI Internet claims taking

State UI agency systems should operate integrated UI/DUA internet claims taking (initial and continued) systems.

There are compelling reasons for state UI agencies to complete modernization of IT and telecommunications in normal times, but emergency response planning makes such steps imperative. Electronically-managed data makes relocation of processing activities during an

emergency possible. There is no practical way to transport, reestablish, and reactivate a paper-based UI agency. Internet-based claims filing is a major workforce multiplier under normal circumstances, during an emergency, it frees agency staff to work at critical processing points where human interaction is required.

All but three state UI agencies have automated their UI claims filing to some extent. Internet-based DUA claims filing, however, lags far behind with only a handful of agencies reporting they have automated DUA claims filing (see Section 3.4.1.1 for details). Moreover, a significant number of agencies report that all DUA processing steps are completed by hand.

Federal and state documentation and record-keeping regulations complicate DUA claims filing automation. For example, some states require the state UI agency to take DUA claims and employer tax information in person, fill out paper claims and tax forms, and have the forms signed by the claimant or employer to be considered legal. Such regulations need to be reviewed and updated where possible to allow for electronic forms and digital signatures. A face-to-face meeting with each claimant serves little useful purpose. Further, such DUA claims filing procedures may be possible in disasters with few claimants, but will be a physical impossibility after a major disaster like hurricanes Katrina/Rita.

Two alternatives for automating DUA claims are:

- Create a centralized DUA processing capability for the UI program; and
- automate DUA processing at the state UI agency level.

There are reasonable arguments, technical and otherwise, for centralizing DUA processing, however, eligibility regulations require that a claimant be found ineligible for a UI claim before being eligible for a DUA claim. In effect, UI processing must take place before DUA processing. Further, DUA eligibility is dynamic and may change, requiring additional reviews of the claimant's UI filings before a DUA claim is approved. This requirement places the state UI agency squarely in the processing path, leading to either a more complicated multi-step claims process or the maintenance of some form of state UI eligibility standards at the centralized DUA processing site. At this time, there does not appear to be any practical means for centralizing the operation of the DUA system without significant changes to the DUA regulations.

No technical or legal barriers exist to incorporating a switched DUA module with internet UI initial claims software. Under normal conditions, claimants will complete only the appropriate UI claims information as requested by the UI module. In a declared disaster, the DUA initial claims module may be switched on to permit DUA claims taking. If a claimant is found ineligible for a UI claim, the claimant will be prompted to complete the additional DUA questions required to file a DUA claim. Continued claims taking (UI and DUA) may be similarly treated, using an interactive voice response (IVR)-equipped Call Center or another internet-based software module.

USDOL should sponsor the development and distribution of a "plug-in" Internet-based DUA system that will take DUA initial and continued claims in conjunction with UI claims activities during a disaster in which DUA has been authorized. The DUA Internet claims taking module should be developed with the specific requirement that it integrate with existing UI Internet claims systems with no significant revision to the UI software. For the

three states that do not have an operational Internet UI claims system, Internet claims systems may be adapted or developed, and the DUA module integrated to it.

This solution appears to be the least complex, lowest risk, and easiest to implement of the types of DUA systems currently envisioned. From the disaster response point of view, those states with the perception of an immediate requirement for an automated DUA system can implement it. Those with less urgent perceptions can do so as their requirements dictate. The maintenance of DUA claims taking at the state UI agency level also furthers the operational practice of eliminating single points of failure.

1.5.2.9 Internet UI/DUA Claims Query/Updates

State UI agency internet systems should have query/update functions for UI/DUA claims.

For every initial claim filed through the Call Centers, between three and five calls are received requesting information about the filed claims. Most of the requests are for information that could be readily displayed in a query-enabled Internet system. Without access to the information in the computers of the affected state, customer service representatives (CSRs) can only take name and contact numbers for the caller and pass the information to a worker in the affected states for resolution, thus using scarce resources.

1.5.2.10 Modernize Telecommunication Networks

State UI agencies must have modern telecommunication networks with integrated Call Center IVR, load monitoring, and switching systems.

Outdated telephone and telecommunication systems will hinder recovery when a disaster occurs. State UI agencies should assume that their internal telephone system will fail almost immediately as claimants attempt to file claims or obtain information in the post-disaster period. The telephone system will be saturated and useless at the most critical times. Respondents from inside and outside Louisiana and Mississippi cited the lack of reliable telephone communication as a major problem in the post Katrina/Rita response.

The automated IVR-equipped Call Center is a more expensive claims taking solution than the internet but is an irreplaceable element for responding to a disaster-related MUE. Most agencies are already equipped with Call Centers. The remainder of the state UI agencies has “information lines” or similar services that can readily be adapted for Call Center claims filing. Appropriately configured with software for load balancing and call switching, several call centers in geographically dispersed areas can seamlessly provide a major part of an MUE solution.

There is a need to network state UI Call Centers more formally to reduce the response time in future disasters. The ability of the assisting states to redirect calls to Call Centers in other states around the country is critical to the success of the response. Attention should be given to rapidly train CSRs at remote sites in order for them to be effective at claims taking.

The goal is to have sufficient capacity in Call Centers, however configured, to effectively answer calls from the disaster state in a timely manner. Claimants under these stressful circumstances will not want (and sometimes will not tolerate) lengthy waiting periods, misleading instructions, or the absence of response to reasonable requests.

1.5.2.11 Modify Law to Permit De-Obligating Disaster Support Funding

USDOL should amend the US Code to permit another state UI agency to receive and expend UI administrative funds from a disaster-affected state UI agency. This change will support a mass disaster situation in which the state UI agency is subsumed by the disaster, such as Louisiana during Hurricane Katrina, to such an extent that there is a breakdown in the state's ability to work in an organized manner with the UIDPC. In extreme situations, the USDOL would be able to transfer administrative funds from the disaster state UI agency to the assisting state UI agencies. In situations where a state UI agency has not fully organized their UI response capabilities into the council, or if a state is not a member of the council or compact, such as EMAC, the USDOL could provide funding to the assisting state UI agency.

Implementation of the state-to-state compact and the change in the law assures that assisting state UI agencies are efficiently provided with funding to support a disaster response in a timely manner. This recommended action arose out of a law that was passed to permit the de-obligation of state UI agency administrative funds to support the Katrina disaster. This law can be expanded and generalized to support de-obligation for any major national disaster.

1.5.2.12 Supplementary Office Space

Supplementing claims processing may require establishing new call centers or housing additional staff in office space to help process mail, distribute payments, perform fact-finding and adjudication, and assist with appeals. If the state UI agency office is rendered unusable by the disaster, office space must be obtained rapidly so that mission critical UI operations may be brought back into operations expeditiously.

Under a state UI agency's disaster response plan, the state UI agency should have preplanned where and how to obtain additional office space, especially if the state UI agency's main facility is rendered unusable.

1.5.3 Recommended Actions for Resource Denial and MUE Combinations

The most infrequent, but difficult, disaster scenario for which the national UI system should plan is the confluence of events that denies resources to a state UI agency while simultaneously damaging the workforce system in part of the state. Just as state UI agency resources are stressed by rapidly increasing claim filings, the disaster reduces the resources available to the state UI agency. Clearly, this type of event produces differing levels of damage. At the lowest level, claimants are inconvenienced by slower benefits payments, while at its most severe, the state UI agency itself must be reconstituted before operations can continue.

The preparedness strategy for the combination MUE/resource denial disaster focuses on maximizing the efficiency of state UI agency resources while providing augmentation support strategies from other state UI agencies. In the worst case, assisting state UI agencies might temporarily house operations from another state UI agency. Recommended actions for the combination MUE/resource denial disaster are presented below. They should be considered to augment those recommended actions presented for an MUE under the circumstances of a denial of resource disaster.

1.5.3.1 National Directory of New Hires (NDNH) Update

USDOL should investigate changes in the law that would mandate state UI agencies to update the National Directory of New Hire (NDNH) wage and claim data on a weekly basis. External agencies access UI data for income verification, placing a strain on the state UI agency's staff resources to operate, maintain, and troubleshoot interfaces that do not support UI's mission.

In a disaster response, external agencies may be directed to use other sources for wage verification, such as the NDNH, provided the data is updated more frequently. Currently, at the end of the quarter and after the wages are "cleansed" and added to the state UI agency's wage database, UI wages are reported to the NDNH. However, wage data and new employee data that were received late or rejected due to data problems would not be transmitted to the NDNH until the next quarter. Accelerating the update to the NDNH will make the data more current.

From the state UI agency perspective, having more recent data in the NDNH enables the NDNH to be used as a fraud control mechanism. Crossmatches may be run to identify claims that have already been established. Thus, overpayments and downstream processing at the state UI agency can be minimized.

1.5.3.2 Alternate State UI/DUA Filing

USDOL should amend the US Code to specify that during a Presidential declared disaster in which the state UI agency's business operations have been disabled, claimants may be permitted to file for UI benefits in a state other than where they reside.

This legislative change recognizes the fact that state UI agencies can be denied the use of their facilities and other resources (computers, staff workers, public security, and main building) that would be critical to the state UI agency's continued UI operations. Given such an event, it will require that another state UI agency serve as a secondary source of complete UI/DUA processing.

1.6 IMPLEMENTATION TIMELINE

1.6.1.1 Introduction

The following schedule is presented here in the interest of completeness and as a guide for preliminary planning purposes only. It is based on the recommendation or project descriptions and current office and state UI agency disaster preparedness statuses described in the Plan, the duration of similar projects performed by the ITSC, and the best good-faith estimates of the ITSC project managers that developed it. It is expected that this schedule will be reevaluated and modified several times by each office and state UI agency working on the Plan before it becomes accurate and complete enough to be considered a working schedule.

In an effort to facilitate further evaluation and modification, both assumptions and subtasks have been included with the schedule. Some of these assumptions and subtasks are stated in, derived from, or implied by the content of the Plan and others are based on the prior experience of ITSC staff working on similar projects for Federal and state agencies. A brief explanation of the general assumptions and common subtasks along with project-specific clarifications is provided.

The projects in this schedule are grouped by lead agency (USDOL NO, RO, state UI agency) and listed in order of priority and sequential order where applicable.

1.6.1.2 General Assumptions

The following list provides a brief description of the general assumptions:

- The average procurement cycle is six months.
- Estimating and planning a state or federal budget is an annual process and it may not always be possible to get a project into next year's budget so it may go into the following year's budget.
- The average legislative budget approval process is six months.
- Ongoing support consists of sporadic activities spread out over the duration of the project.
- Most state governments have a means to procure small amounts of technical support that reduces the procurement cycle to 30 – 60 days.

1.6.1.3 Project-Specific Clarifications

The following provides additional clarifications for the specified projects.

Establish UI Interstate Disaster Preparedness Councils (UIDPCs) – it is assumed that if USDOL wants to hire a consultant to assist with this task, it will be a small procurement that won't significantly delay the process.

National Directory of New Hires (NDNH) Update – this is a national effort. Hence, the subtasks have a protracted duration to allow for variations, starting times, and task durations between the different states.

Alternate State UI/DUA Filing – this is a national effort. Hence, the subtasks have a protracted duration to allow for variations, starting times, and task durations between the different states.

Modify Law to Permit De-obligating Disaster Support Funding – this project duration is based on the assumption that modifying a law takes longer than the routine budget approval process.

Assign Emergency Planning Responsibility – this task takes into account the state UI agency staff members assigned this responsibly will need someone to take over part or all of their day-to-day duties to free them up to work on this task, and they may not be able to start working on this task until their replacements are in place.

Continuity of Operations Plan (COOP) – includes only those items that were listed in this Plan. A complete COOP would contain additional items that were not part of the plan because they were not identified as part of the lessons learned or gap analysis. Complete COOP guides are out-of-scope for this plan and readily available through numerous sources.

Develop COOP – is an implied recommendation for those states that may not have a COOP or a fully developed COOP. This plan only includes items that were identified as part of the lessons learned or gap analysis. Complete COOP guides are out-of-scope for this plan and readily available through numerous sources.

Risk Analysis and Business Impact Study – the duration of this task does not include a Request for Proposal (RFP) procurement cycle for an outside consultant contract. It is assumed if a state UI agency wants to hire a consultant to assist them with this task, it will be a small enough to qualify for a 30-60 day procurement cycle.

Develop Asset Management Program – the duration of this task does not include an RFP procurement cycle for an outside consultant contract. It is assumed if a state UI agency wants to hire a consultant to assist them with this task, it will be a small enough to qualify for a 30-60 day procurement cycle.

Critical Path Systems Assurance – includes a needs analysis and assumes at least some deficiencies may need to be mitigated through procurement and/or in-house development and associated implementation.

Emergency Procurement Authority – the duration of this task assumes that legislative action and/or approval is required.

COOP Independent Assessment – assumes procurement and selection of an independent assessor takes place during the development of the plan.

1.6.1.4 Common Subtasks

The following list provides a brief description of common subtasks:

Develop Requirements – includes gathering requirements from users, researching existing systems, and writing a Statement of Work (SOW) for a procurement document or in-house development team.

Implementation – includes developing, installing, and testing the system along with any associated training or roll-out to local offices.

Procurement – includes writing an RFP, publishing it, bid evaluations and selection, and contract negotiation.

1.7 GANTT CHARTS

The following Gantt charts describe the start time, duration, and interdependencies of the actions recommended in this plan. The first chart (Figure 1-4) describes the USDOL national and regional office actions and the second chart (Figure 1-5) describes the state UI agency's actions. The timescale is defined as years and quarters from a yet to be determined start date, currently designated first quarter, year one.

National UI Disaster Preparedness Plan – Preliminary Implementation Schedule



Figure 1-4. Timeline USDOL National Office and Regional Offices Actions

National UI Disaster Preparedness Plan – Preliminary Implementation Schedule

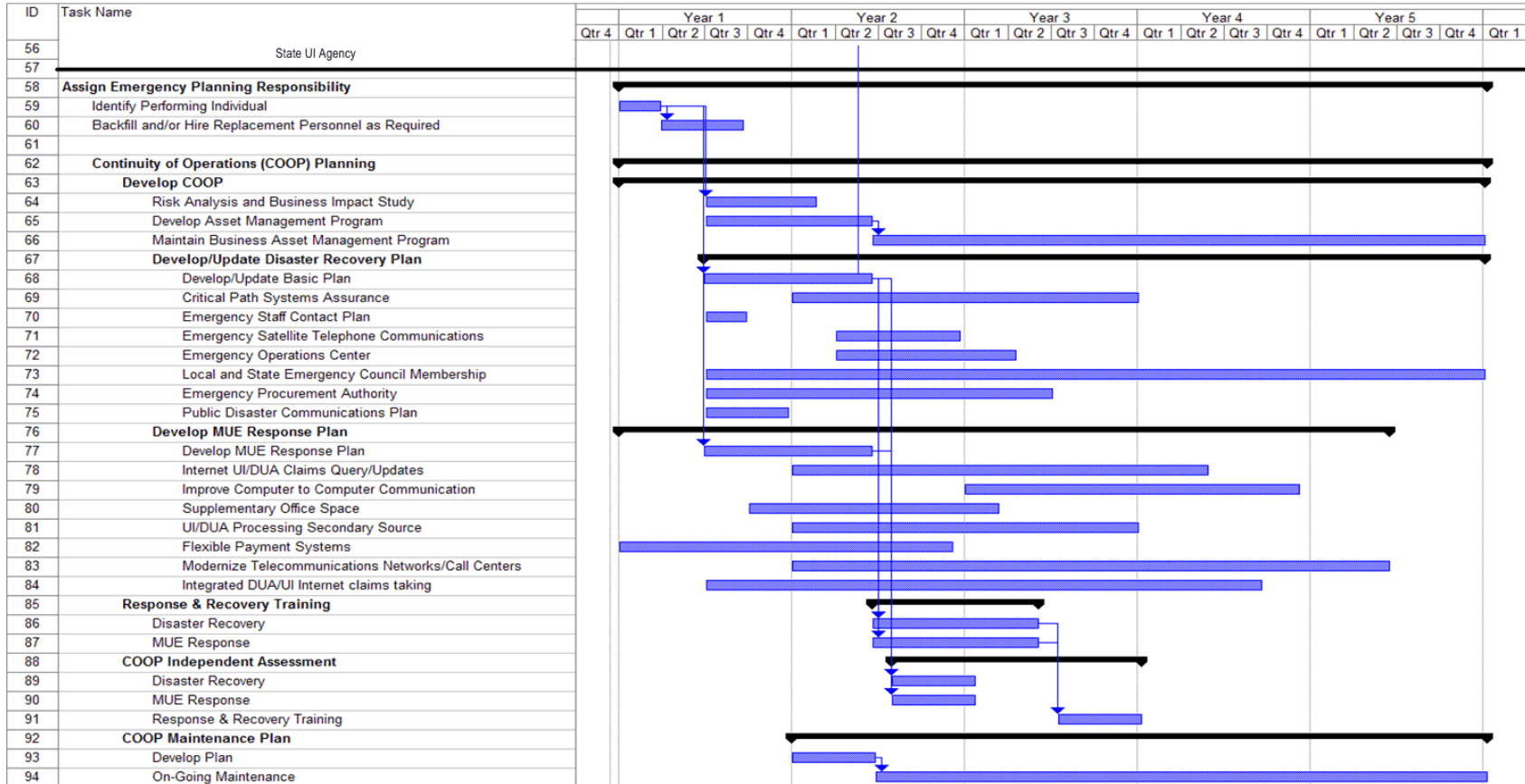


Figure 1-5. Timeline for State UI Agency Actions

2 LESSONS LEARNED

This lessons learned section is a narrative account of discussions with several state UI agencies affected by disasters ranging from earthquakes, flooding, and tornadoes, to the devastating 2005 Gulf Coast hurricanes. These lessons learned have been generalized to serve as guiding elements for the “Gap Analysis” and the National UI Disaster Preparedness Plan.

2.1 BACKGROUND

Hurricanes Katrina (August 24 – 31, 2005) and Rita (September 24 – 26, 2005) struck the Gulf Coast of the US as Category 4 and 3 storms respectively. The 120 – 140 miles per hour (MPH) winds, the 6 – 16 inches of rainfall, and a 32-foot storm surge created the largest weather-related disaster in US history. More than 1,000 people lost their lives as a result of the storms.

In its wake, Katrina severely damaged a considerable portion of the Mississippi Gulf Coast and left much of New Orleans underwater and uninhabitable for an extended period of time. Without electricity, telephone, water, fire, medical, and police services, large sections New Orleans and portions of Mississippi remained uninhabitable months after the storms. Many of the former inhabitants of New Orleans relocated across the country, with the largest portions in Texas and elsewhere in Louisiana.

The effect on commerce and employment in the region was overwhelming; 2.5 million households requested assistance (some twice, due to the effects of Rita), 400,000+ persons lost jobs, 71,000 businesses were affected, and 300,000 people were left homeless, precipitating a multi-state evacuation/relocation effort. The economic damage of the storms amounted to \$30 – 40 billion. In Louisiana, perhaps one-third of the state’s employers permanently ceased doing business in the months after the storm. The remaining businesses have recovered slowly, but remain well below their pre-storm performance levels.

In the aftermath of Hurricanes Katrina and Rita on Mississippi and New Orleans and with FEMA’s slow recovery efforts and the lower third of Louisiana commerce at a standstill, the Mississippi and Louisiana state governments faced a host of major problems. Providing UI and DUA relief funds to hundreds of thousands of citizens was a second tier response that the state UI agencies had to provide while the state and Federal governments addressed citizens’ shelter, food, and medical needs.

In the days immediately following Hurricane Katrina, the managers of the UI and DUA programs at the LDOL and the Mississippi Department of Employment Security (MDES) recognized that they faced a major processing challenge resulting from the economic dislocation of the storm. LDOL’s UI processing system was adequate for the 3,500 – 4,000 initial claims filed in a typical week. However, the system could not be readily expanded or modified to accommodate a five-fold increase in claims. Similarly, Mississippi experienced an extremely large surge in their claims workload and MDES’ UI system generally handled around 3,000 initial claims in a typical week. Both state UI agencies’ UI system and procedures are focused around elderly mainframe benefits systems; the states lacked call centers, and MDES did not have internet self-service capabilities. As a result, Louisiana and Mississippi experienced such a tremendous volume of UI claims that the states could not provide timely UI services to their citizens without external help.

A non-exhaustive compendium of major US disasters from the last 150 years in which significant social and economic damage occurred suggests that hurricane disasters of 2005 are not unusual:

- Great Chicago Fire, 1871
- Johnstown, Pennsylvania Flood, 1889
- Galveston, Texas Hurricane, 1900
- Great San Francisco Earthquake, 1906
- Great Mississippi River Flood, 1927
- Vanport, Oregon Flood, 1948
- Gulf States, Hurricane Betsy, 1965
- Gulf States, Hurricane Andrew, 1992

On an ad hoc basis, state UI agencies have responded to the needs of an affected state's UI agencies for the entire history of the UI program. The near-universality of computer processing has changed the nature of assistance to affected states, requiring a higher degree of knowledge and organizational coordination than has previously been the case. The experiences of the UI agencies of Mississippi, Louisiana, and the assisting state UI agencies illustrate the requirement to formalize UI disaster response planning at the national level to assure a rapid, effective response to future disasters from all risks.

2.2 METHODOLOGY

2.2.1 Framework for the Study

To provide a unifying concept for the research underlying this paper, the authors found that the functions of a state UI agency can be modeled with Queuing Theory. Queuing Theory is the study of waiting lines, processing flows, and highways expressed in mathematical terms. This paper will not extend to detailed descriptions of UI as a queue, but will provide a functional view of state UI agencies with respect to claims volume and available resources.

When UI is viewed as a system, claims pass through a series of processing steps such as filing an initial claim, monetary and non-monetary determinations, continued claims, payment processing, adjudication, and appeals. At each processing step, a backlog of claims will develop if there are not sufficient resources present to immediately complete processing claims at that step. The net effect is an increase in the time required to process a claim. If more resources are not brought in to augment those previously assigned to a step's process, or if the volume of claims continues to increase, the time to complete a claim will continue to increase until the state UI agency cannot service the quantity of claims in a timely fashion. At some point, the organization will cease to function effectively.

When planning a claims processing (system, the estimate of the maximum number of claims that will be received per unit of time determines the size of the processing system. Most processing systems are constructed to accommodate a "normal" volume plus some increment to deal with the peaks created by seasonal or regional unemployment. Typically, some factor for growth in the labor force is also included. This means that most UI claims taking systems are sized close to their "normal", or mean, processing levels and cannot process the huge volumes associated with an MUE.

For a UI system to process a truly large claims volume requires that it be constructed for that volume. However, it is not reasonable to expect that any state UI agency will construct a claims processing system to process a claims volume equivalent to a disaster of the magnitude of Hurricane Katrina.

The key concepts for the analysis of state UI agency disaster responses are claims volume and agency resources. If claims volume rises, absent increased resources, processing time will increase. Conversely, if the effects of a disaster diminish resources, claims processing time will increase, even with no increase in the volume of claims. When claim volume increases and resources diminish, processing time increases very rapidly. The latter scenario is the functional description of the mass unemployment event that LDOL experienced as a result of Hurricane Katrina.

2.2.2 Information Gathering

To develop an understanding of how state UI agencies planned for disasters and how those plans helped (or hindered) during disasters, the authors conducted interviews guided by an interview schedule (see Appendix B). This allowed agency informants wide latitude in their responses to our questions, but focused the discussions on those topics that were of interest.

State UI agency respondents were managers or supervisors, the state administrator and executive team, the USDOL NO, and the USDOL Atlanta and Dallas ROs. A few respondents were front-line disaster response planners or staff who led the disaster response effort. All respondents were cooperative and eager to tell the story of their agency and the methods they had employed in response to the problems they faced. They were equally candid in their discussions of what did not work and what went wrong with existing disaster response plans.

Because there is inherent danger in extrapolating results from a sample of one, the analysis includes the UI agencies of four Gulf States, North Carolina, California, Washington, and Arkansas over a period of ten years. The selection provides a larger number of disaster responses from which to obtain data.

Table 2-1 lists the state UI agencies that were interviewed, broken down by state UI agencies that had experienced disasters and those that had assisted another state in post-disaster recovery. Several of the state UI agencies experienced a disaster and assisted in other disasters. Additionally, members of two ROs (Atlanta and Dallas) were interviewed to gain an understanding of the federal response, their lessons learned, and their recommendations.

Table 2-1. States and USDOL Offices Interviewed

State/Role	Experienced Disaster	Assisted Recovery
Florida	X	X
Mississippi	X	
Louisiana	X	
North Carolina	X	X
Texas	X	X
Washington	X	X
Arkansas	X	X
California	X	X
USDOL Atlanta RO		X
USDOL Dallas RO		X
USDOL NO		X

This selection provided a wide range of disaster planning and response approaches over states with differing geographies, populations, industrial concentrations, and types of disasters.

2.3 DEFINING THE PROBLEM

2.3.1 Unemployment Disaster Relief Support

For employees, a primary source of disaster relief is the UI program, which provides unemployment benefits to eligible workers who are unemployed through no fault of their own and meet other eligibility requirements specified by state law. The UI program is intended to:

- Provide temporary financial assistance to unemployed workers who meet the requirements of state law.
- Be a joint federal-state partnership in which each state runs their UI system in accordance with state law and within the laws and guidelines established by the Federal government.
- Determine eligibility for UI benefit amounts and the length of time benefits are available based on state law under which the UI claims are established.
- Be provided with administrative funding by the USDOL and have employers provide funding into the UI system.

A second source of personal disaster relief for Presidentially-declared disasters is the DUA Program. Established by Congress, DUA funds are distributed by FEMA and the program is run by the USDOL and the state UI agencies. To qualify for DUA, the individual must:

- Be out of work as a “direct result” of a major disaster.
- Not qualify for regular UI from any state.

Once found to be eligible for DUA, workers must actively look for work and accept suitable work offered them². In addition, the beneficiary must show that for every week he or she is collecting DUA, his or her unemployment continues to be the direct result of the disaster, not other factors.

Those who may be eligible for DUA (and typically could not get regular state UI benefits) include:

- Self-employed individuals who lost their businesses or suffered a substantial interruption of activities as a direct result of a major disaster.
- Unemployed individuals who have become the breadwinner or major supporter of their households due to the death of the head of their household directly related to the disaster.
- Individuals unemployed as a result of an injury caused as a direct result of a disaster.
- Individuals who cannot reach their employment as a result of the disaster.
- Individuals who were scheduled to start work but became unemployed because they no longer have a job as a direct result of a disaster.

An individual laid off before the disaster would be considered to be unemployed for reasons other than the disaster according to the federal law. However, if the individual's unemployment was originally caused by the disaster and his or her regular state unemployment runs out before the disaster period ends, the individual may qualify for DUA benefits. This is especially important when regular UI benefits end before 26 weeks, depending on the individual's income and work history. For example, the minimum duration of regular state unemployment benefits in Alabama is 15 weeks, 13 weeks in Mississippi, and 21 weeks in Louisiana.

From a programmatic perspective, the UI and DUA programs are coupled because claimants must be evaluated to determine his or her continued eligibility in one or the other program and the UI system is used to pay and process DUA claims.

2.3.2 Louisiana's UI Response to Hurricanes Katrina and Rita

Upon the arrival of Hurricanes Katrina and Rita, Louisiana's UI system was in need of modernization, and, in fact, Louisiana was working on their modernization project. However, the existing system that was in place during the summer of 2005 was adequate to handle Louisiana's typical claims load, which consisted of 3,500 – 4,000 initial claims filed in a typical week. Table 2-2 illustrates the relative volume of claims processed by the five Gulf States. Louisiana, followed by Mississippi and Texas, experienced the greatest proportional increase between 2004 and 2005. Florida and Alabama, though affected by the hurricanes, did not appear to have experienced the massive increase in UI/DUA claims. Unfortunately, Louisiana's existing system could not be readily expanded or modified to accommodate such a large increase in claims.

² In response to the hurricanes, individual states (including Louisiana) temporarily suspended their "work search" requirements for UI and DUA benefits.

Table 2-2. Quarterly Claims 2004 – 2005, Gulf States

Initial Claims/ Year.QTR	2004.3	2004.4	2005.3	2005.4
Alabama	68,877	65,132	69,512	53,319
Louisiana	45,798	45,204	176,496	117,977
Mississippi	37,436	38,818	81,095	61,786
Florida	192,201	166,790	133,202	149,717
Texas	215,056	224,709	199,231	245,007

Louisiana's resources needed to process the approaching volume of claims that had been damaged, but not completely destroyed. The New Orleans flooding destroyed a major adjudication center for UI claims. Similarly, some local offices had been rendered unusable. The main building in Baton Rouge had survived unscathed, but staff were scattered, sometimes evacuated to other states due to storm damage of their homes. For several days immediately following the storm, electrical power service was unavailable in Baton Rouge, rendering LDOL's main office unusable.

LDOL's UI claims processing system had benefited little from technical improvements in computer software and hardware. The mainframe system was neither flexible nor readily modifiable; even minor changes proved difficult to make. LDOL's UI program relies on local offices and paper claims applications. Initial claims filing could not be rapidly expanded to meet the increased demand and telephonic claims filing did not exist. The Internet claims service for filing initial and continued UI claims was a new, less publicized service. DUA initial claims filing and processing was also manual, relying on paper forms.

Table 2-3 shows a similar pattern in Louisiana's DUA claims.

Table 2-3. DUA Statistics Louisiana 2005 – 2006

Month	Disaster Description	DUA Claims	First Payments	Weeks Claimed	Weeks Compensated	Amount Compensated
Sept 2005	Hurricane Katrina	55,950	55,950	154,296	154,296	\$15,121,129
Sept 2005	Hurricane Rita	0	0	0	0	0
Oct 2005	Hurricane Katrina	43,663	31,440	508,097	497,580	\$49,008,524
Oct 2005	Hurricane Rita	17,224	7,389	36,958	35,869	\$3,528,107
Nov 2005	Hurricane Katrina	11,362	10,127	394,501	354,537	\$36,338,642
Nov 2005	Hurricane Rita	1,346	1,346	31,123	28,171	\$2,817,138
Dec 2005	Hurricane Katrina	11,362	10,127	394,501	354,537	\$36,338,642
Dec 2005	Hurricane Katrina	400	400	200,503	196,493	\$20,042,383
Jan 2006	Hurricane Katrina	37	37	194,470	194,470	\$19,641,553
Jan 2006	Hurricane Rita	0	0	8,297	8,297	\$838,058
Feb 2006	Hurricane Katrina	0	0	140,869	140,869	\$14,263,030
Feb 2006	Hurricane Rita	0	0	5,511	5,511	\$552,559

Since telephone claims taking did not exist as a result of a state-level prohibition on Call Centers, a temporary system for taking claims was put in place after the storm, but it was

inadequate for the volume of calls made to it. Texas and Florida, states with well-developed, technically modern Call Centers, came to LDOL's assistance early in the response period. With call routing technology, load-balancing software, and some excellent guesswork, the managers in these states were able to take calls for Louisiana (as well as their own claims). They were also able to switch calls to a second tier of states to further augment the call capacity.

Call Centers seem to be an inescapable requirement of this and any future disaster for UI and DUA filing. First, the filing of the initial claim must be done through a call center if the claimant does not have access to the internet. Second, claimants have questions about claims that can be answered only by a human being. Third, there is an element of comfort to victims of a disaster to talk to a human being.

The ratio of claims information calls to claims filing calls appeared to be about three to one. For every call made to file a claim about three more calls were made for information about the claim. In this respect, the out-of-state call center was not as efficient. The CSRs did not have access to LDOL's computerized information (except California) and were consequently reduced to taking callback information and passing it to LDOL staff for resolution. When California agreed to provide UI services on behalf of LDOL, two trainers were immediately sent to California to instruct the CSRs on the use of Louisiana's UI system.

The internet claims service for filing (initial and continued UI claims) was a new, less publicized service. DUA initial claims filing and processing was manual, relying on paper forms. For those claimants with access to the internet, filing an internet UI claim was quick and easy compared with those filing in person or through a call center.

The internet claims service, when combined with Call Center support from other states, was clearly the most effective and efficient means of claims taking. A CSR in another state could take a claim over the telephone and simultaneously enter the information into the internet form. This required no intervention by LDOL staff and no processing of paper downstream.

LDOL's communications to the general public concerning UI and DUA claims submission was inadequate. In the affected areas, there were few sources of mass media announcements. For the evacuees living in large shelters, PSAs originating in the shelters were ineffective. Local Louisiana media broadcasts of PSAs would never reach the scattered evacuee population. Arranging for PSAs in dozens of media markets around the country took time to complete. When changes to previously announced plans occurred, there was no effective way to distribute the information to all affected parties.

Under a state executive order to expedite paying claims, but unable to accommodate the increased claims volume, LDOL instituted a new policy termed "Autopay."

Table 2-4 illustrates the magnitude of claims that Louisiana faced on a weekly basis. This policy waived most of the rules for filing initial (both UI and DUA) and continued claims for a period of twelve weeks.

Table 2-4. Louisiana UI Claims Statistics July 2005 – December 2005

Filed Week Ended	Initial Claims	Reflecting Week Ended	Continued Claims	Covered Employment	Insured Unemployment Rate
08/06/2005	3,086	07/30/2005	31,207	1,832,290	1.70
08/13/2005	2,936	08/06/2005	30,573	1,832,290	1.67
08/20/2005	3,027	08/13/2005	29,927	1,832,290	1.63
08/27/2005	3,034	08/20/2005	29,340	1,832,290	1.60
09/03/2005	8,469	08/27/2005	24,289	1,832,290	1.33
09/10/2005	58,134	09/03/2005	38,631	1,832,290	2.11
09/17/2005	73,702	09/10/2005	82,524	1,832,290	4.50
09/24/2005	39,530	09/17/2005	183,162	1,832,290	10.00
10/01/2005	48,110	09/24/2005	203,962	1,832,290	11.13
10/08/2005	52,087	10/01/2005	198,464	1,835,152	10.81
10/15/2005	27,801	10/08/2005	205,202	1,835,152	11.18
10/22/2005	17,486	10/15/2005	196,792	1,835,152	10.72
10/29/2005	16,009	10/22/2005	196,229	1,835,152	10.69
11/05/2005	27,335	10/29/2005	201,040	1,835,152	10.95
11/12/2005	9,711	11/05/2005	199,821	1,835,152	10.89
11/19/2005	11,789	11/12/2005	211,454	1,835,152	11.52
11/26/2005	7,218	11/19/2005	182,849	1,835,152	9.96
12/03/2005	6,459	11/26/2005	71,565	1,835,152	3.90
12/10/2005	3,272	12/03/2005	73,141	1,835,152	3.99
12/17/2005	2,874	12/10/2005	74,853	1,835,152	4.08
12/24/2005	2,982	12/17/2005	66,862	1,835,152	3.64
12/31/2005	2,487	12/24/2005	63,030	1,835,152	3.43

“Autopay” effectively eliminated much of the work associated with verifying a claimant’s wages and work separation date. In part, the action was a response to reality; employers had evacuated and could not be located and some places of employment with their business records were under water. Employees, living in shelters across the country, did not have W2s, tax returns, or other documentation that normally could help verify a claim. Finally, there was a sense that to require claimants to actively seek work in a region in which there were no employers, and no place to live if employment could be found, was to ignore reality.

In retrospect, the implementation of “Autopay” caused problems, in part because LDOL could not organize staff to effect rule changes in the midst of a disaster and in part because the “Autopay” policy functioned to delay the imposition of rule enforcement, not eliminate it. Several months later, LDOL adjudicators (augmented by staff from other states) are at work on a higher-than-necessary volume of post-Katrina claims.

LDOL struggled to provide UI and DUA payments to hundreds of thousands of displaced, unemployed Louisianans. The combined UI and DUA claims volume in the post-hurricane period broke all previous claims volume records for Louisiana. Further, extraordinary measures had to be taken by the USDOL and other state UI agencies to manage the tremendous volume of UI claims.

2.3.3 The Definition of Mass Unemployment Event (MUE)

The statistical description of the Louisiana claims volume, combined with the difficulty in processing those claims, suggests that Louisiana may have experienced a unique event, the MUE. An MUE may be characterized as a very rapid increase in unemployment that rises to levels substantially above those typically experienced by a UI agency.

The average weekly initial claim volume in Louisiana peaked at fourteen times the average volume of the previous two Septembers. See Figure 2-1. For the period September through December, the initial claims volume was more than six times the average of the previous two years. This same phenomenon could be seen in continued claims. See Figure 2-2.

An examination of the claims volume experience for Louisiana suggests that the state experienced a claims volume not found in the other affected states. During the fall of 2005, Florida, Texas, and Mississippi all experienced claims from the combination of Hurricanes Katrina and Rita. None of them experienced an increase that was as rapid and as substantial as Louisiana's (see Figure 2-3). The proportionate increase in claims volume experienced by Louisiana was nearly 700 percent, significantly higher than the 200 percent experienced by Mississippi. None of the remaining Gulf States experienced a doubling of their claims volume as a result of Katrina/Rita.

In Louisiana, the Insured Unemployment Rate rose from 1.33 to 11.52 in less than two months. During the same period, the initial claims volume rose sevenfold and the continued claims volume rose fourfold.

Across the history of the UI program, there does not appear to be any event that resulted in a claims volume increase of the magnitude experienced by Louisiana. There are few events in American history that might have produced an MUE, perhaps the Great Chicago Fire of 1871 and the San Francisco Earthquake of 1906. Even the doubling of claims volume over a few weeks experienced by Mississippi is almost without precedent.

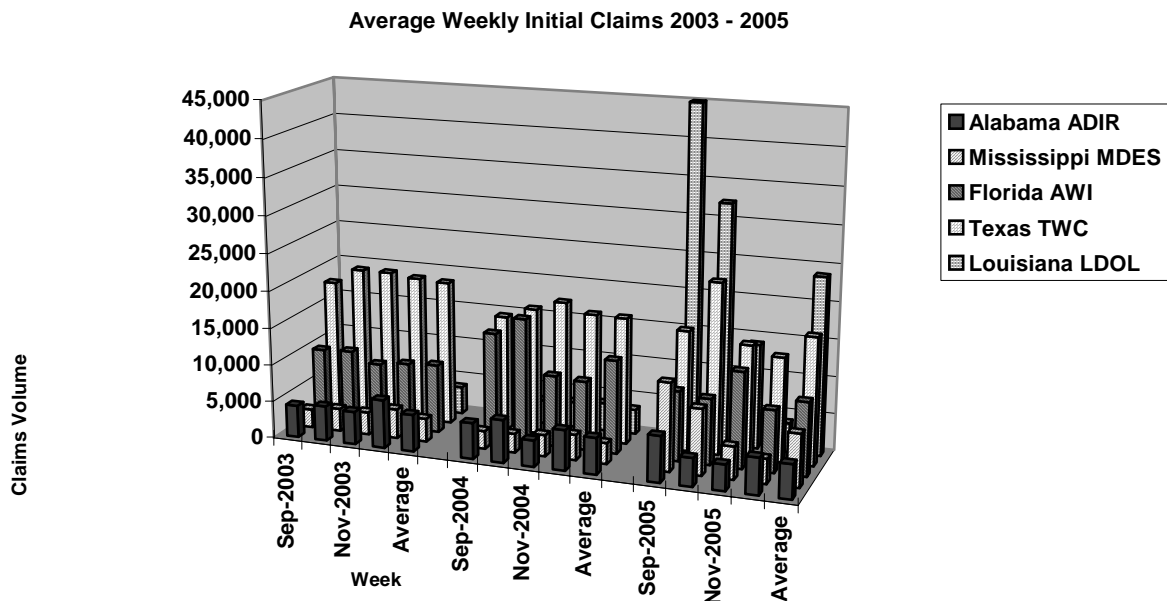


Figure 2-1. Weekly Average Initial Claims

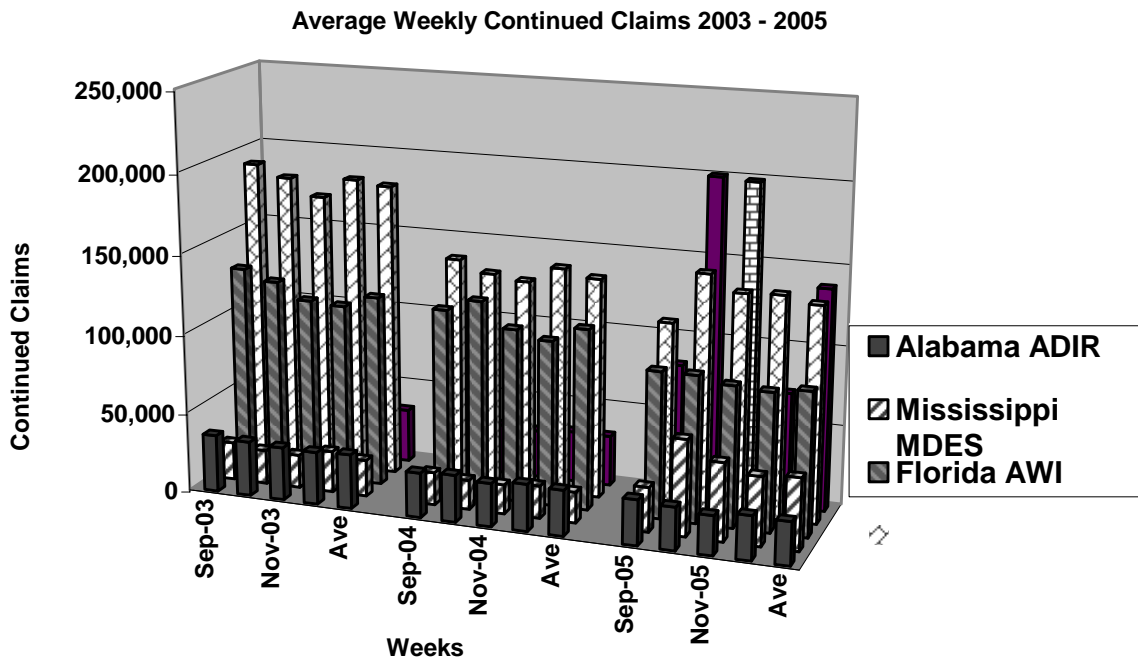


Figure 2-2. Weekly Average Continued Claims

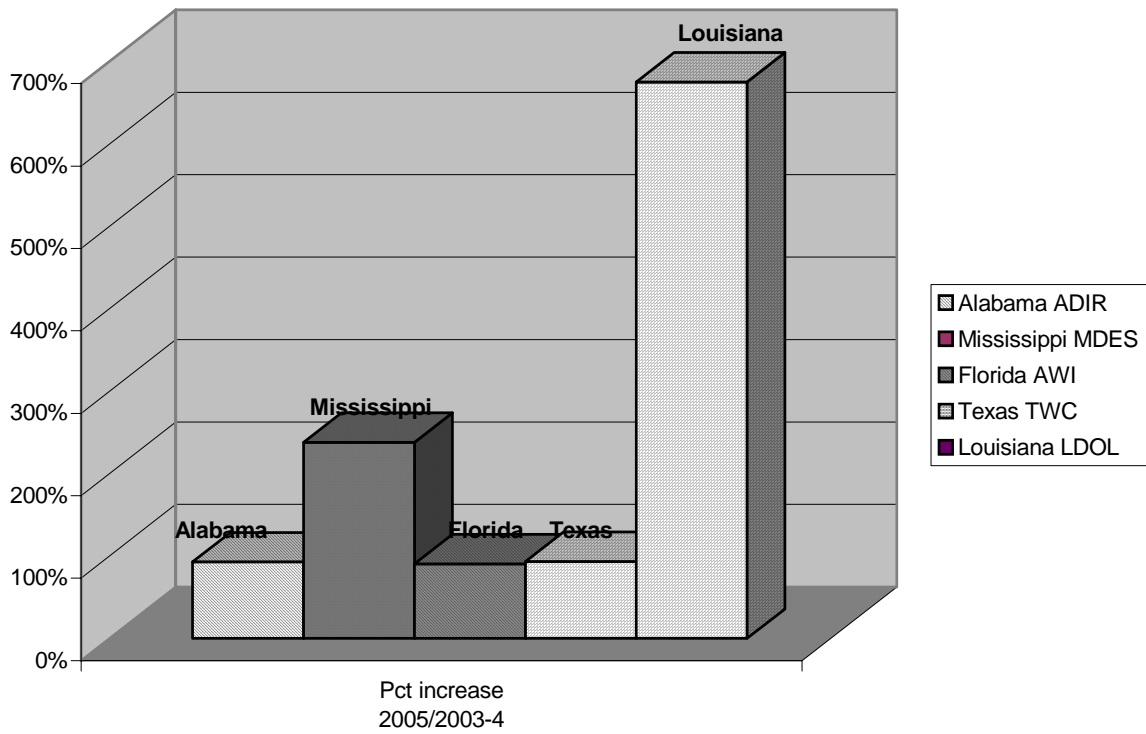


Figure 2-3. Gulf States Claim Volume Increase 2005 over 2003-4

Typical disasters, earthquake, fire, flood, and atypical pandemics, Severe Acute Respiratory Syndrome (SARS) or Asian flu, may cause an MUE. Any phenomenon that has the ability to produce very rapid, large-scale unemployment has the potential for producing an MUE.

During the interviews with state UI agencies from which information for this paper was taken, the subject of disaster-related claims volume increases was raised. To the extent the respondents could recall or estimate, no state that had been subject to a disaster had experienced more than a doubling of their claims volume. None of the states interviewed thought that their processing resources were adequate to manage more than double their average normal claims volume.

The 2005 statistics from the Gulf States and the anecdotal evidence from interviews with the state UI agencies suggest that most state UI agencies, even without the impairment of disaster damage to resources, are not prepared to process more than double their normal claims volume.

The state UI agencies of Florida and Texas had integrated emergency response planning into their functioning. Florida, as a result of regular exposure to hurricane emergencies, was especially well prepared to respond to the Katrina/Rita emergency. Louisiana and Mississippi did not have effective emergency response planning. This analysis suggests that most state UI agencies are prepared to process the seasonal peaks in claims and the occasional mass layoff due to a plant closing. They are not prepared for the rapid, high volume spike in claims that is associated with an MUE.

2.4 CLAIMS PROCESSING, UI CHOKEPOINTS, AND RESOURCES

The typical UI agency in our study addresses disaster planning as a single dimension, the denial of one or more resources to the agency. Whether the disaster is the result of fire, flood, weather, or other events, the net effect is the loss of a computer system, computerized records, or access resources that results in reduced claims (or other functions) processing capability.

Washington State's Employment Security Department (ESD) response to the 2001 earthquake and the response of North Carolina's Employment Security Commission (ESC) to flooding are examples of successful emergency response planning by state UI agencies. In each instance, the agencies lost some resources but, as a direct result of prior planning, had sufficient contingent arrangements to continue processing claims at an acceptable volume. Claims volume increased as a result of the disaster, but at a relatively low level (on the order of twice the normal rate of initial claims).

LDOL and MDES, in the wake of Hurricanes Katrina and Rita in 2005, experienced a very different phenomenon: diminished resources and a much larger claims volume (on the order of ten times the normal rate of initial claims in Louisiana) – an MUE. In the post-disaster period, some of the state UI agencies' resources required for claims processing were denied by the effects of the disaster. The effect of this denial in resources was amplified by the state UI agencies' inability to rapidly augment the resources required to meet the claims processing volume. This phenomenon is the one for which state UI agencies must adjust their disaster planning.

The analysis of state UI agencies and their response to the disasters will focus on two specific phenomena:

- The **denial of resources** to the state UI agency by the effects of hurricanes Katrina and Rita; and
- The MUE - a massive, rapid **increase in claims** (initial and continued, UI and DUA) resulting from a disaster or other source.

Without a full appreciation of the nature and scope of these concepts, Federal and state UI planning for future “disasters” will be artificially constrained. The lessons learned and recommendations derived from this investigation for use in future Federal and state disaster response planning have been organized around these concepts.

2.4.1 Claims and Chokepoints

A Presidential Disaster Declaration is typically made after a major disaster occurs. Once the governor of the state requests federal assistance, a range of services, loans, tax benefits, and programs for institutions and individuals are made available. Emergency assistance is categorized as “public assistance” or “personal assistance.” It is the inclusion of “individual assistance” in the disaster declaration that activates DUA claims, National Emergency Grants (NEG), and a host of additional programs including:

- Assistance for individuals and households
- Housing assistance
- Other needs assistance
- Veterans benefits
- Tax refunds
- Excise tax relief
- Crisis counseling

During a declared emergency, state UI agencies process claims associated with both UI and DUA. The funding mechanism for DUA is through FEMA rather than the UI trust fund. UI and DUA serve different and overlapping purposes during an emergency and have different eligibility requirements. Chief among these is the DUA requirement that the claimant not be eligible for UI payments (for details, see 20 CFR 625.4). DUA also differs slightly from UI in that it covers employers and employees, while UI covers only employees.

Typically, in an emergency setting, a claimant files a claim for UI and it is processed as a UI claim until it is denied. From that point, the denied claim is processed as a DUA claim. Consequently, the UI and DUA programs are bound to each other by nature of their eligibility requirements. This bond continues through the course of an emergency because, as a UI claimant’s eligibility for payments under UI expires (for a variety of reasons), the claimant may become eligible for DUA payments. This requires regular processing of checks to ensure that the claimant is correctly receiving payments from the appropriate program.

Claims processing does not end with the successful payment (or non-payment) of a claim. During the life cycle of a claim, it is filed and reviewed for monetary and non-monetary eligibility. Each claim filed may pass through specific downstream steps, including issue identification and adjudication, overpayment and underpayment processing, collections, employer account charging, and appeals, before the claim is closed and ultimately archived. Each of these downstream steps, as well as claim payment and eligibility, represent a potential chokepoint in processing and, consequently, must be allotted sufficient resources (both automated and human) to complete the step in a timely manner. Figure 2-4 illustrates the chokepoints to UI operational processes. Table 2-5, when read in conjunction with Figure 2-1, discusses the potential causes for the operational chokepoints and lists possible remediation steps.

This does not imply, however, that each step has an equal priority in processing. During a disaster, state UI agencies may defer processing of some steps in order to make resources available to process claims at other steps. The orderly deferral of certain steps in UI/DUA processing in favor of other steps should rely on direct advice from the USDOL NO. The decision as to which rules and regulations can be deferred or temporarily suspended in an emergency situation in order to expedite the filing, processing, and payment of claims can affect the ability of a state UI agency to function.

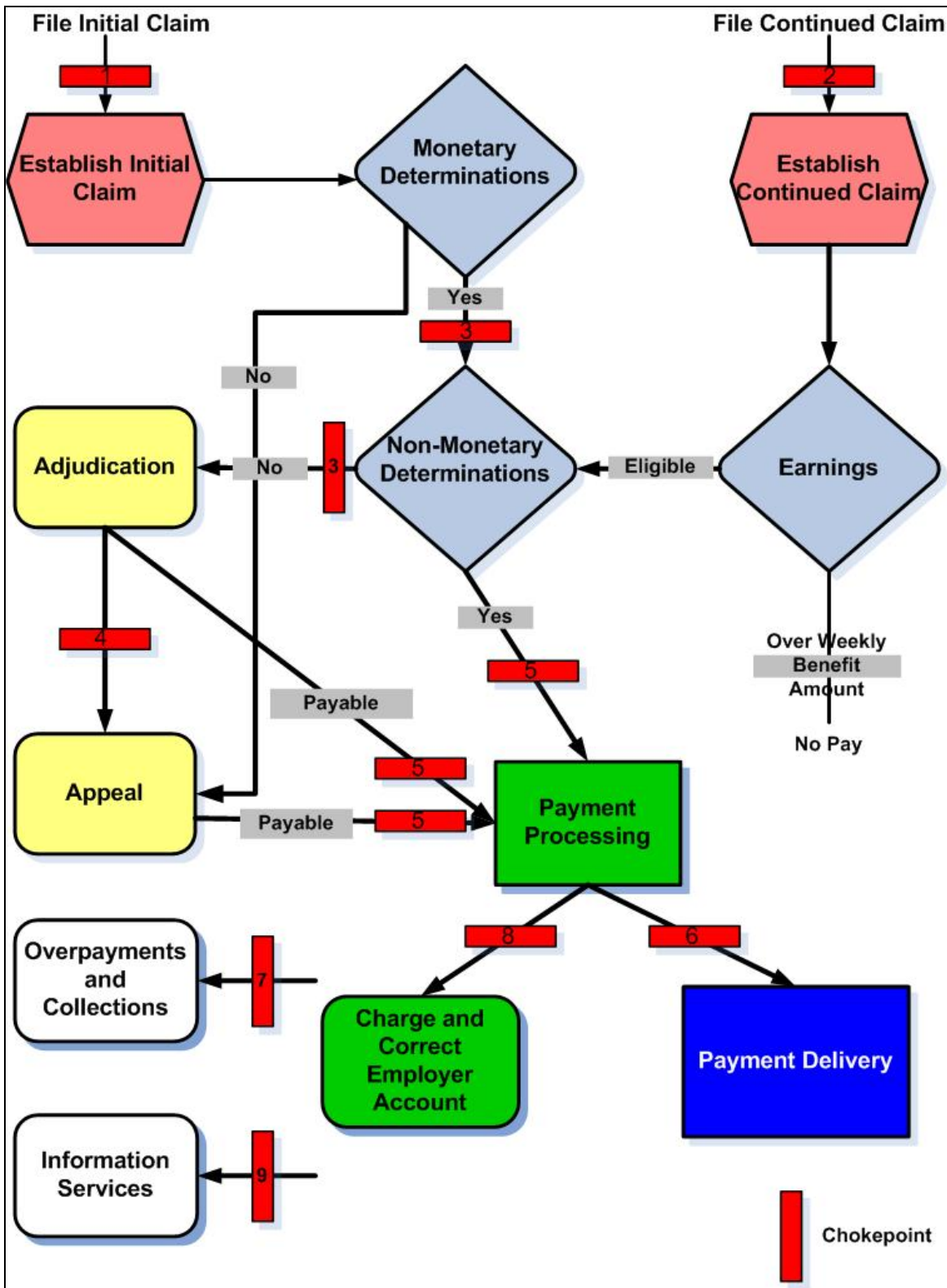


Figure 2-4. Processes and Checkpoints

Table 2-5. Processes and Chokepoints

Checkpoint Number	UI Process	Potential Cause(s)	Potential Remediation/Support
1	Establish Initial Claim	<ul style="list-style-type: none"> Inadequate claims taking infrastructure 	<ul style="list-style-type: none"> Establish UI and DUA Internet initial claims capability Establish call center to take UI claims Use assisting state UI agency's infrastructure
		<ul style="list-style-type: none"> Insufficient Internet server capacity 	<ul style="list-style-type: none"> Install additional servers
		<ul style="list-style-type: none"> Insufficient call center capacity 	<ul style="list-style-type: none"> Expand call center capacity/re-route to assisting state UI agencies
		<ul style="list-style-type: none"> Inability to process volume of paper claims 	<ul style="list-style-type: none"> Require claim filing by Internet or call center
2	File Continued Claim	<ul style="list-style-type: none"> Inadequate claims taking infrastructure 	<ul style="list-style-type: none"> Establish UI and DUA Internet continued claims capability Install or enhance IVR capabilities
		<ul style="list-style-type: none"> Insufficient Internet server capacity 	<ul style="list-style-type: none"> Install or upgrade Internet application servers
		<ul style="list-style-type: none"> Insufficient call center capacity 	<ul style="list-style-type: none"> Expand call center capacity/re-route to assisting state UI agencies
		<ul style="list-style-type: none"> Inability to process volume of paper continued claims 	<ul style="list-style-type: none"> Require claim filing by Internet or call center
3	Non-Monetary Determination	<ul style="list-style-type: none"> Insufficient trained staff 	<ul style="list-style-type: none"> Staff augmentation through call backs or assisting state UI agency staff
3	Adjudication	<ul style="list-style-type: none"> Insufficient trained staff Manual or semi-automated scheduling Inefficient adjudication processes resulting from manual or semi-automated adjudication process that may not fully integrate with the claim (case) 	<ul style="list-style-type: none"> Staff augmentation through call backs or assisting state UI agency staff Automated adjudication/case management with integrated supporting documentation Automated scheduling system that matches adjudicator's skills to case Consider introduction of automated workflow system to manage adjudication cases
4	Appeals	<ul style="list-style-type: none"> Insufficient trained staff Manual bridge between appeals and UI tax and 	<ul style="list-style-type: none"> Staff augmentation through call backs or assisting state UI agency staff

Chokepoint Number	UI Process	Potential Cause(s)	Potential Remediation/Support
		benefits <ul style="list-style-type: none"> • Manual or semi-automated scheduling • Appeals may be a disjoint system that is not integrated with UI tax and benefits 	<ul style="list-style-type: none"> • Plan for and modernize interface to appeals system. Support automated exchange of supporting documentation to appeals and decisions back to the UI system.
5	Payment Processing	<ul style="list-style-type: none"> • Insufficient check printing capacity • Insufficient Debit Card production capacity 	<ul style="list-style-type: none"> • Stand-by print capacity (in-house or contracted) • Multiple sources for production
6	Payment Delivery	<ul style="list-style-type: none"> • Regular USPS delivery unavailable • Banking system electronic deposit limitations 	<ul style="list-style-type: none"> • Work with USPS, publicize general delivery pick-up • Be cognizant of the number of electronic transactions permitted within a batch transmission; develop procedures and software to support multiple transmissions to the bank
7	Overpayments and Collections	<ul style="list-style-type: none"> • Insufficient trained staff • Lack of automated overpayment and collection process 	<ul style="list-style-type: none"> • Staff augmentation through call backs or assisting state UI agency staff • Plan and implement enhanced overpayment and collection system
8	Charge and Correct Employer Account	<ul style="list-style-type: none"> • Insufficient trained staff – in some states this process is not fully automated 	<ul style="list-style-type: none"> • Staff augmentation through call backs or assisting state UI agency staff • Plan for and implement enhancements to support automated corrections to employer account charges
9	Information Services (inadequate capability to provide claimant with information regarding their claim)	<ul style="list-style-type: none"> • Call center too busy • Lack of self-service capability 	<ul style="list-style-type: none"> • Expand call center capacity • Staff augmentation through call backs or assisting state UI agency staff • Develop self-service claimant information system

Even in extreme circumstances, when rules are suspended (for example, Louisiana’s “Autopay,”) to avoid backlogs at certain steps in UI processing, claims must still be processed through all UI steps, ranging from initial claim, eligibility, and adjudication, to appeals. As a result, suspending rules on the front end of the UI process may lead to less efficient processing downstream as claims are approved. Payments made under relaxed rules

will lead to the later discovery that payments were approved in error, necessitating payment recovery steps.

2.4.2 Resources

A state UI agency operates in an interdependent matrix of resources: its own internal resources, those of the state, county, and community, and those of the Federal government. These resources, to a greater or lesser degree, make possible the processing of claims. In a disaster, these resources can be denied to the state UI agency for many reasons, making claims processing difficult or, in extreme cases, impossible.

Perhaps the most basic disaster planning a UI agency can do is embodied in continuity of business (COB) and/or Disaster Response (DR) plans. These two plans focus on the basic resources necessary to reconstitute and operate an agency after a disaster. But successful UI planning for an MUE must continue well beyond the topics addressed in COB and DR plans to address the resources located in the community.

Planning for an MUE must augment the COB and DR plans to include solutions to the denial of those community resources needed to process claims from filing to payment. Without the USPS to deliver paper checks and other documents, it is not possible to complete the claims payment process for claimants who do not have bank accounts. Without electronic funds transfer (and the telecommunications networks that carry the messages) or operating banks, it is not possible to complete the claims payment process for claimants with bank accounts. Without electrical service, a state UI agency's computers will not operate. Even when state UI agency generators augment electrical service, if electrical circuits are not properly configured and tested, power flowing to the IT systems may be interrupted.

The type of disaster may carry with it consequences for specific UI agency resources. The hurricanes along the Gulf Coast destroyed homes and caused the evacuation of hundreds of thousands of people. Some of the evacuees in the LDOL and MDES workforce could not be located for weeks after the hurricanes had passed. A disease pandemic, such as SARS in 2003 or "Bird Flu" (H5N1 virus), can result in the quarantining of entire office staff for an extended period, denying a skilled workforce to the state UI agency. Conversely, a "radiological event," or "dirty bomb," could cause denial of access to the physical plant, IT resources, and files of a state UI agency.

It is even possible for claimants to deny access to a resource through its collective actions. In the post-hurricane period, LDOL found itself without basic telephone service as claimants making calls to the agency totally saturated the LDOL telephone system. When potential claimants could not place a successful call to the advertised claims taking telephone numbers, they resorted to systematic dialing of all numbers in LDOL's telephone exchange. The call volume quickly reached a level of saturation that rendered the internal LDOL telephone system useless.

In the course of this study, the following resources were identified as necessary to complete state UI agency processing of claims. The objective was to identify the requirement to be conscious of resources, not to develop an all-inclusive list, or an exclusive list. It is possible for a state UI agency to employ less than all of the list's elements and equally likely that a state UI agency may consider resources that do not appear on this list.

- Agency Resources
- Business Continuity /Emergency Response Plans
- Workforce
- Management Team
- Agency-External Communications
- Agency-Internal Communications
- Main Office Physical Plant & related services
- Local/Regional Offices
- Physical Security
- Alternate Emergency Facilities
- Call Centers
- Interstate Connectivity Network (ICON)
- Payment Operations/Payment Media
- IT Systems Infrastructure
- Telecommunications Infrastructure
- Emergency Contracting Authority
- Disaster Coordination Web Sites
- ETA One-Stop Career Centers
- Community Resources
- USPS
- Other Delivery Services
- Communications Infrastructure
- Voice Service – wire
- Voice Service – wireless
- Voice Service – satellite
- Banking Services
- Data Network Service – all sources
- Public Infrastructure
- Electricity
- Motor Vehicle Petroleum, Oil, and Lubricants
- Public/Private Transportation

- Public Security
- Federal Resources
- National Emergency Management Association (NEMA)
- FEMA
- IRS
- National Guard
- SSA
- GSA

In the subsequent discussion of lessons learned and recommendations, many of these resources will figure prominently.

2.5 THE LESSONS LEARNED

Given that there are 53 state UI agencies, each with differing technology suites, budgets, constituencies, and potential disasters; it is not possible to create a detailed plan that will fit all contingencies for all agencies. The state UI agencies will, of necessity, need to assess the risks that confront them and plan to mitigate those risks. The potential range of MUE-producing disasters that may be envisioned pushes the planning horizon beyond what is practicable, if all eventualities are to be included. Consequently, we have documented lessons learned that establish baseline capabilities within state UI agencies that form the foundation of the National Unemployment Insurance (UI) Disaster Preparedness Plan. Implementing and enabling the recommendations, if possessed uniformly by state UI agencies, will help states assist those states affected by a disaster.

2.5.1 National UI Disaster Response Framework

Distilled from the information the ITSC gathered for this paper, it is possible to create a framework for UI emergency response that addresses MUEs (including inadequate resources). The description of a workable framework that addresses a full range of disasters and MUEs appears in the following paragraphs and is depicted in Figure 2-5.

The first element of this plan is maintaining the processing capabilities of the state UI agencies themselves. Each state UI agency must implement and maintain its own disaster preparedness/recovery program that includes the plans discussed in the following “Lessons Learned” sections. Each agency must maintain an MUE plan and resources to process claims up to a volume that exceeds normal processing by a factor of two (clearly, this is an imprecise target that will vary by the state, the disaster, and the circumstances under which

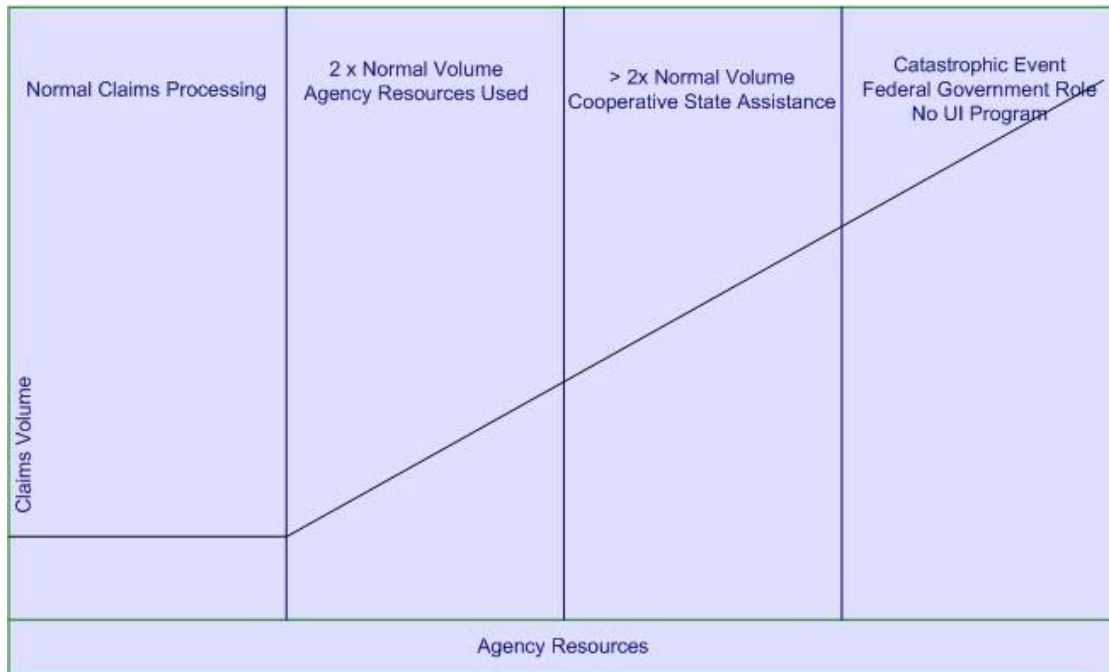


Figure 2-5. Cooperative Assistance Model

the disaster occurs). This volume is consistent with a low-end MUE such as Florida experienced in the 2004 hurricane season. This is also a volume that will, based on our interviews with state UI agencies, challenge the capabilities of the best-prepared state UI agencies.

MUEs of a magnitude of more than twice the normal processing load are very, very rare. Hurricanes Katrina and Rita (in 2005) are the only disasters in the 72 year history of the UI program that produced an MUE with a magnitude of 10 – 12 times the normal processing load. Because it is neither cost-effective nor realistic to expect a state UI agency to maintain the resources required to meet a larger, rare MUE, state UI agencies should be able to draw upon the resources of the greater UI community when an MUE occurs.

As an affected state UI agency finds the claims volume of an MUE exceeding the resources necessary to process it, the state UI agency should be able to seamlessly move claims taking to the facilities of unaffected state UI agencies with sufficient excess capacity. The EMAC, administered by NEMA, to which all states except Hawaii are signatories, regularizes the process of requesting, deploying, using, and funding resources from other states. EMAC provides the means by which UI processing resources for affected states can be obtained from assisting states. What remains to be done is the specification of resources that are needed in a disaster.

The specification of resources for disasters will require a living compact between state UI agencies that allows each state UI agency to specify the types of technical assistance it may require in a disaster. Conversely, the same compact can provide a clearinghouse of available services a state UI agency may possess in excess of immediate requirements as well as a cost for the resource. As risks, technology, and employment parameters change, each state may update their resource matrix.

Disasters such as pandemics may not result in a vast workload increase, however, the existing “normal” workload may be too great to process without external support from other state UI agencies. As a result, pandemics also still fall within the model illustrated in Figure 2-5.

Finally, a disaster may be so severe that it is not possible to continue the UI program. Sources of such disasters might be:

- Large-scale eruption of a volcano that distributes volcanic ash across a multi-state region to a depth that eliminates transportation, communication, and agriculture
- A “radiological attack” on a major city.
- An earthquake that destroys or submerges much of a state.
- An attack on a city or region with multiple nuclear weapons.

In these disasters, the affected area may be permanently uninhabitable, employers (and their records) may no longer exist, portions of the local and state governments have ceased to function, and the surviving population has been evacuated. At this point, aid and assistance in the affected area should be rendered by other state UI agencies, FEMA, the military, and/or other elements of the federal government.

2.5.2 Lesson 1: Integrate Formal Emergency Response Planning

State UI agencies must integrate formal emergency response planning for business continuity, disaster recovery, and resource assurance into their normal operations. The state UI agencies with the best emergency response histories are those that have incorporated emergency planning into the normal routine of the state UI agency and have the opportunity to regularly exercise those plans.

Florida, Washington, Texas, and North Carolina each have disaster recovery plans and each has a good grasp of the steps necessary to manage an MUE. Florida’s plans were integrated into the agency and into the emergency response community itself. Florida has historically had many opportunities to exercise its disaster recovery plans due to the large number of hurricanes that transit the Florida peninsula each year.

2.5.3 Lesson 2: Develop a Formal Plan for Mass Unemployment Events

State UI agencies must develop and maintain a formal plan for MUEs as an adjunct to their COB plan.

Some state UI agencies have COB and DR plans, however, no state interviewed had a formal plan for the management of an MUE. Even in the best prepared states, respondents did not believe that its agency resources or capacity would be adequate to manage an MUE of the size experienced by Louisiana. Florida, one of the best prepared states for disaster planning and recovery, did not believe that its processing capacity was adequate for an MUE of more than twice the normal processing load.

2.5.4 Lesson 3: Plan, Review, and Routinely Exercise Emergency Response Plans

The state UI agencies with the best emergency response histories are those that have incorporated emergency planning into the normal routine of the agency. Florida ranks at the

extreme of this practice as the result of the large number of hurricanes each year. Through risk assessment, each state UI agency should develop a sense of what disasters are most likely, how frequently they may occur, and how to plan for each.

Successful emergency response begins with prior planning, regular review, and routine exercise of plans. For COB and DR to function effectively in the state UI agencies, the plans must be exercised regularly and revised over time to adjust to changing conditions of technology and the labor market.

2.5.5 Lesson 4: Combine Emergency Response Plan with State Emergency Plans

State UI agencies emergency responses must be embedded in the matrix of local and state emergency providers. Florida and Texas serve as examples of this practice with substantial visibility among the emergency response community. The relative importance of disaster response actions has been established in advance of the disasters in these states. Consequently, the presence of UI claims takers in emergency coordinating centers is a normal, expected sight.

The state UI agency must become a player in the local and state emergency organizations and participate in those organizations' planning and exercise activities. A representative of the state UI agency should be a member of the local and state emergency organizations.

Successful UI agency emergency responses are based in the matrix of community services. No UI agency should expect to respond successfully to an emergency without the cooperation and assistance of the greater community of which they are a part.

2.5.6 Lesson 5: Modernize Information Technology and Telecommunications

State UI agencies must modernize their IT and telecommunications suites. There are compelling reasons to complete modernization of IT and telecommunications in normal times, but emergency response planning makes such actions imperative. When data is managed electronically, the options for processing during an emergency are vastly increased. There is no practical way to transport, reestablish, and reactivate a paper-based UI agency.

The two most effective, flexible, and efficient tools for responding to an MUE are the internet-based claims filing system and the IVR-equipped call center. The internet claims system requires virtually no human attention and can be rapidly augmented by adding more servers to the network. Appropriately configured, it is a 24-hour-per-day, seven-day-per-week claims taker that never tires and never makes a mistake.

The current trend of reducing base funding levels for state UI agencies makes implementing and expanding the use of internet-based claims filing systems and self-service applications even more important. LDOL was preparing to lay off 30 staff members the week before Hurricane Katrina hit. Even after a disaster, states may have to reduce funding to compensate for lost tax revenues as a result of the disaster. After Katrina, the state of Louisiana was asking all state agencies to reduce their workforce by 30 percent to compensate for the loss of tax revenue that resulted from Katrina. Today internet usage is around 35 percent and telephone usage is around 55 percent. As state UI agencies are forced to reduce staff to compensate for lack of funding, they will have to move towards 100 percent internet usage like the Utah Department of Workforce Services did.

2.5.7 Lesson 6: Maintain Flexible Payment Systems

State UI agencies should maintain payment systems that are flexible and encourage payments by EFT. Electronic payments are preferable to all other payment media. They are faster, more reliable, less expensive, and do not rely on the USPS for delivery to claimants. In a disaster, mailboxes may be under water and the USPS may not be delivering to entire zip codes. However, EFT and banking may function.

The use of BDCs reduces the requirements to process changes of bank account information at the state UI agency, but does not completely escape the problems associated with the distribution of the card to the claimant. Claimants who have had a prior UI claim may not have a major problem as previously issued card may be replenished. In a disaster response, the cards can, at least in theory, be distributed to evacuees or mailed to those claimants who have registered with the USPS for general delivery service.

2.5.8 Lesson 7: Establish a Cooperative State Emergency Response System

No state UI agency can maintain a processing capacity sufficient to manage an MUE as large as or larger than was associated with Katrina/Rita.

Depending on the measurement statistic used, the MUE for Katrina and Rita in Louisiana was 7 to 12 times LDOLS's normal processing load. It is not cost effective or practical to expect each state to maintain or plan to maintain processing capacity at this level. Typically, state UI agencies have sized their call centers and Internet servers close to what may be called "normal" processing levels. This suggests that no single state UI agency is truly prepared to manage the volumes associated with an MUE. This observation appears to be supported by comments from all of the state UI agency interviews.

2.6 RELATIONSHIP BETWEEN LESSONS LEARNED AND CHOKEPOINTS

A national disaster preparedness plan will rely on planning, operations, chokepoint mitigation, and interagency coordination to provide timely delivery of UI services that are scalable to drastic changes in workload and resources. Since UI and DUA are joint federal and state programs, the national UI disaster preparedness plan must consider the state UI agencies' capabilities as they are the operational arm of the UI and DUA programs.

Each state UI agency must implement their own COOP to ensure state UI agency operations during a disaster situation. Among the many items that a state-level UI agency COOP must address are: planning to define operational procedures and communications, preservation of automated systems, and the establishment of agreements to provide a scalable UI delivery system. The USDOL should support state UI agency operations by furnishing operational guidance, and establishing coordination across other agencies, both state UI and Federal agencies, including FEMA. The USDOL should ensure continued operations of the national systems, including the interstate benefit program and UI reporting. Providing UI policy and recommending legislation or its changes are also critical areas that USDOL must protect through their internal COOP.

Of the many items that a state UI agency must plan for is the acquisition of adequate resources to avoid chokepoints in UI processing is critical. Table 2-6 shows that planning impacts all chokepoints. State UI agency planning must anticipate chokepoints in UI operations and establish the tools and procedures to meet the demand for UI services. Further, planning will establish how UI operations will be performed during the disaster

response, what procedures will be followed, and indicate the trigger point at which assistance from external sources will be sought.

Table 2-6. Lessons Learned and UI Process Chokepoints Relationship to UI Operations

Lesson Learned	Chokepoint
Lesson 5: Modernize Information Technology and Telecommunications	Chokepoint 1: Establish Initial Claim Chokepoint 2: File Continued Claim Chokepoint 3: Adjudication Chokepoint 4: Appeals Chokepoint 5: Payment Processing Chokepoint 6: Payment Delivery Chokepoint 7: Overpayments and Collections Chokepoint 8: Charge and Correct Employer Account Chokepoint 9: Informational Services
Lesson 6: Maintain Flexible Payment Systems	Chokepoint 5: Payment Processing Chokepoint 6: Payment Delivery

Operations are the inner-most core to the delivery of UI services. It is within this area that automation resources and associated business processes are essential to delivery of UI services. The allocation of lessons learned to chokepoints is seen in Table 2-6. Again planning is a prerequisite necessary to mitigate saturation of chokepoints.

Coordination between agencies (including FEMA and other state UI agencies that provide assistance during the disaster response) is a crucial portion that solidifies the foundation for the national UI disaster preparedness plan. Coordination with other state UI agencies to provide operational assistance during the disaster response provides the disaster state the ability to support workloads that extend beyond the capacity of existing resources (both human and automated). Interagency coordination extends beyond operations and must be addressed in planning.

Table 2-7 illustrates that the provision of additional resources to the disaster state UI agency will help minimize the saturation of chokepoints within UI operations. Not all operational chokepoints may be mitigated through assisting state UI agency support. However, many of the intake and downstream UI processing functions may be augmented by other state UI agencies.

Table 2-7. Lessons Learned and UI Process Chokepoints Relationship to Inter-Agency Coordination

Lesson Learned	Chokepoint
Lesson 9: Establish a Cooperative State Emergency Response System	Chokepoint 1: Establish Initial Claim Chokepoint 3: Non-Monetary Determination Chokepoint 3: Adjudication Chokepoint 4: Appeals Chokepoint 7: Overpayments and Collections Chokepoint 8: Charge and Correct Employer Account Chokepoint 9: Informational Services

3 INTRODUCTION TO THE GAP ANALYSIS

Gap analysis is a commonly used assessment tool that enables a business to compare its current performance or capabilities with its desired, required, or potential performance capabilities. The results of a gap analysis are the comparison that is typically used to develop recommendations for improvement and a means to measure it by.

The ITSC used this assessment tool to measure the state UI agencies' current disaster preparedness to the level the lessons learned indicated were necessary to cope with the types of disasters and MUEs state UI agencies might encounter.

3.1 PURPOSE OF THE GAP ANALYSIS

The purpose of this gap analysis is to establish a baseline for disaster response planning and capability of the state UI agencies. The assessment will also identify areas that state UI agencies must strengthen to successfully respond to an MUE. As discussed in this section, state UI agencies serve on the front lines of disaster response (as secondary responders), providing UI and DUA services in post-disaster settings. Hurricanes Katrina and Rita focused attention on potential claims volume increases and the requirement for state UI agencies to meet the processing requirements of an MUE.

State UI agencies must maintain business operations and processing capacity during disasters. Results of the assessment will aid the USDOL in determining the level of support needed to improve the state UI agencies' disaster preparedness, both organizationally and technically, so that state UI agencies may singly and cooperatively respond to future disasters. The difference between where state UI agencies are currently and where they need to be to meet these requirements is the "gap."

3.2 GAP ANALYSIS OBJECTIVES

To establish a baseline of state UI agencies' disaster response capabilities, the following assessment objectives were prepared:

- Assess the preparation of the state UI agencies for an MUE. Specifically, have the state UI agencies make plans and preparations for handling exceptionally large increases in claims volume with their own resources?
- Characterize the disaster preparedness planning of the state UI agencies. Have agencies take the necessary steps to ensure the continuity of their operations? How well is the plan maintained and integrated into the activities?
- Estimate the degree of support the state UI agencies could lend to an MUE-affected state. Does the technical infrastructure exist to permit mutual assistance between state UI agencies? Does an appropriate level of Internet and call center technology exist to permit the state UI agencies to rapidly come to the aid of an affected state UI agency?
- Measure the population density. Disaster preparation should be focused on those areas of greatest risk. In the instance of MUEs, state UI agencies serving large, densely populated states with large urban centers would be

more likely to sustain an MUE during a disaster than state UI agencies in sparsely populated rural states.

The study assumes the threat level to be effectively identical for each state because it is necessary for all state UI agencies to maintain operations in the event of a disaster.

To support implementation of a national UI disaster preparedness plan, state UI agencies will need basic infrastructure to respond to a disaster and also be capable of providing assistance to other state UI agencies requiring additional resources to support their response to an MUE. As such, national planning and allocation of resources must be prioritized.

3.3 ASSESSMENT DATA

Drawing on the findings from interviews conducted with affected state UI agencies during the lessons learned phase of this project, the ITSC elaborated the following recommendations into an assessment focused on state UI agency preparation for, and planned response to, future disasters:

- Integrate formal emergency response planning;
- Develop a formal plan for MUEs;
- Plan, review, and routinely exercise emergency response plans;
- Combine emergency response plans with state emergency plans;
- Modernize information technology and telecommunications; and
- Maintain flexible payment systems.

The ROs provided answers to fifty-three questions that the ITSC posed to support this assessment. To obtain a response that represents the UI program from a national perspective, the ITSC was striving for the ROs to provide their inputs on as many state UI agencies as possible and, in fact, information on 48 state UI agencies was provided. In the case where the ROs do not have information for a state or a specific question, no information was provided. This response data was compiled in June 2006 and was used to perform the gap analysis assessment.

In support of the study, the ITSC had the opportunity to participate in USDOL Regional Meetings and NASWA UI Director's meetings. The ITSC also discussed disaster responses and capabilities with many state UI agencies, including those on our workgroup. Through these interactions, the ITSC was able to apply state UI agency disaster experiences and capabilities to the formulation of gap analysis questions and, ultimately, the interpretation of the data.

The remaining topics from the lessons learned phase were not included in this assessment because they address proposed USDOL plans and actions or do not yet exist. They include areas where the USDOL should:

- Lead and fund emergency response planning; and
- Dedicate funds for emergency response
- Help the state UI agencies establish a cooperative state emergency response system.

3.4 RESULTS OF THE ASSESSMENT

The following sections present the results of the assessment and draw conclusions from the data. Conclusions regarding the following assessment areas appear to be warranted by the data:

- Ability of the state UI agencies to respond to an MUE
- Call center analysis
- Internet processing
- State UI agency COOP

Topics regarding improved funding methods and DUA funding streamlining, as well as the establishment of a cooperative state emergency response system, are not part of the assessment as they are proposed plans to the USDOL.

For each of the four areas above, the questions posed to the ROs, and their responses, are presented in tabular form for the convenience of the reader. A specific discussion of the results, limitations, and implications accompany each table.

At the end of each assessment area, general findings regarding state UI agency disaster planning (based on the ITSC's interpretation of the data) is presented.

A general measure of risk derived from the assessment data and population data from the US Bureau of Census and the Bureau of Labor Statistics is presented in Section 3.5 to provide an estimate of the potential number of people exposed to an MUE, given the current response capability of the state UI agencies.

3.4.1 Ability of the State UI Agencies to Respond to an MUE

The model prior to Hurricane Katrina for the management of disasters by state UI agencies may be described as: "each state UI agency is presumed to have the resources and procedures to respond to disasters without assistance from other state UI agencies." The aftermath of Hurricanes Katrina/Rita has made it clear that this model is insufficient for most state UI agencies. Consequently, there is a need for interstate UI agency disaster cooperation at some level. A key question that arises from this model is: How many state UI agencies are prepared to respond to an MUE? This question, and questions regarding resources, technical support factors, and preparations, is addressed in this section.

3.4.1.1 UI and DUA Claims Filing Capabilities

Table 3-1 presents processing estimates for state UI agencies' ability to respond to an MUE. To permit generalization of response, the ROs were asked to make an assessment relative to their state's normal claims volume. There may be varying interpretations of these numbers, but the overall distribution of the results provides a good indication of the confidence the ROs have with regard to their states preparations.

Table 3-1. MUE Processing Estimate

If an MUE were to occur, which of the following statements best describes the state UI agency's claims processing (all steps from receipt of claim through payment and appeals) capacity within two weeks of the event?		
Less than twice normal load	9	18.8%
Twice normal load	21	43.8%
Five times normal load	10	20.8%
More than five times normal load	2	4.2%
Do not know	6	12.5%
No response	0	0.0%
Total	48	100.0%

According to the USDOL ROs' responses, only 2 of the 48 agencies could meet a claims volume greater than five times the normal claims volume. By comparison, the MUE in Louisiana and Mississippi is estimated at 7 to 12 times the normal claims volume of those state UI agencies. What this suggests is that the typical state UI agency is perceived to be in no better position to respond to an MUE than were Mississippi and Louisiana, with more than 60 percent perceived as being able to respond to a doubling of their volume. This result is consistent with the information provided by affected state UI agencies during the lessons learned phase of the project.

Twenty-five percent of the state UI agencies were perceived to be able to process an increased volume of five times or greater, still less than the probable MUE threshold for most states. Approximately 20 percent of the state UI agencies cannot meet a doubling of the normal claims volume.

Based on this data, the state UI agencies may be considered ill-prepared to process the increased claims volume associated with an MUE. In order to determine what state UI agency functions require improvement, the assessment addressed how well equipped the state UI agencies are to respond on their own to an MUE. RO information about their state UI agencies' UI and DUA claims filing practices, their ability to make emergency procurements, and the use of rapidly scalable internet systems and call centers will assist in drawing a clearer picture of state UI agency disaster preparations.

The data in

Table 3-2 and Table 3-3 addresses the means by which claimants can initiate UI and DUA claims from areas affected by a disaster. Filing UI claims across the internet, through a Call Center, and on paper can be done in three-quarters of the states. More than 85 percent of state UI agencies have two or more ways through which claimants can initiate claims in disaster areas. Comparing the methods of filing UI claims to DUA claims demonstrate that there are less filing methods available for DUA claims. Having fewer methods to initiate DUA claims can lead to DUA claims taking chokepoints (see Table 3-3).

Table 3-2. Methods of Filing UI Claims in Disaster Affected Areas

In the event of a major disaster, how may claimants file UI benefits claims in the affected area(s)? (Check all that apply).		
Across the Internet	37	77.1%
Through a telephone center	37	77.1%
Employer mass filing	23	47.9%
On paper	36	75.0%
Do not know	0	0.0%
No response	0	0.0%

Table 3-3. Methods of Filing DUA Claims in Disaster Affected Areas

In the event of a major disaster, how may claimants file DUA benefits claims in the affected area(s)? (Check all that apply).		
Across the Internet	10	20.8%
Through a telephone center	27	56.3%
Employer mass filing	9	18.8%
On paper	38	79.2%
Do not know	1	2.1%
No response	0	0.0%

The data in Table 3-4 and

Table 3-5 represents the ROs response to the same questions for UI and DUA claims by counting the number of methods state UI agencies employ to file claims in affected areas. Compared to UI claims methods, DUA claims methods are much less numerous. Seventy-five percent of state UI agencies use two or fewer methods for filing DUA claims. In comparison to UI claims filing methods, there are fewer DUA claims filing methods.

Table 3-4. Number of UI Filing Methods in Disaster Areas

Number of state UI agencies reporting UI claims filing methods in disaster areas.		
No filing method	0	0.0%
One filing method	7	14.6%
Two filing methods	9	18.8%
Three filing methods	20	41.7%
Four filing methods	12	25.0%
Do not know	0	0.0%
Total	48	100.0%

Table 3-5. Number of DUA Filing Methods in Disaster Areas

Number of state UI agencies reporting DUA claims filing methods in disaster areas.		
No filing method	3	6.3%
One filing method	17	35.4%
Two filing methods	18	37.5%
Three filing methods	5	10.4%
Four filing methods	4	8.3%
Do not know	1	2.1%
Total	48	100.0%

The differences found in the two sets of tables suggest that much less attention has been given to DUA claims procedures compared to UI claims procedures. In a disaster, however, the two programs must operate in tandem with claimant eligibility for benefits, depending on repeated eligibility assessments for both programs. That DUA is substantially less well-developed in regards to claims taking is a potential chokepoint in processing during an MUE.

Another approach to assessing the question of the capability of the state UI agencies to respond singly to an MUE is to examine their most readily scalable methods of UI and DUA claims taking, the internet and Call Centers. In most agencies, the call center plays a major role (see Table 3-19 and Table 3-20). The ROs found that approximately two-thirds of the state UI agencies take initial and continued UI claims via Call Center. However, a much smaller proportion of state UI agencies take DUA claims through Call Centers - initial claims (54 percent) and continued claims (39 percent). The use of the internet for initial and continued UI claims (see Table 3-34 and Table 3-35) shows a similar pattern with UI claims, initial and continued, taken over the internet than DUA initial (20 percent) and continued claims (16 percent). These results suggest a potential for chokepoints during an MUE in filing DUA claims for the majority of state UI agencies.

During an MUE, the volume of mail received by a state UI agency will rise in geometric progression compared to the volume of claims filed. Mail for every aspect of the UI and DUA processes increases, not just the documents associated with initial filing, monetary and non-monetary determinations. LDOL learned this during its response to the Katrina/Rita MUE.

A measure of how prepared state UI agencies are to handle this increase can be seen in the methods used to handle incoming mail (

Table 3-6). The compilation suggests that the majority of state UI agencies are dependent on manually opened and hard-copy distributed mail. A vast increase in mail volume is difficult to achieve in a process that depends on hand sorting and distributing mail. Mail handling will likely be a significant vulnerability and chokepoint for state UI agencies during their response to an MUE.

Table 3-6. Mail Receipt Methods

What method does the state use to process incoming mail?		
Manually, (hand-opened, hard copy distribution)	22	45.8%
Manually, hand-opened/scanned	5	10.4%
Machine opened/sorted/scanned/imaged	20	41.7%
No response	1	2.1%
Total	48	100.0%

3.4.1.2 Post-Claim Filing Processing Procedures

Subsequent steps to actually taking a claim include making monetary and non-monetary determinations, tracking, accounting, and paying the claim. Table 3-7 results suggest that nearly two-thirds of state UI agencies accomplish these tasks through their UI system; the remaining one-third use other systems. These results suggest the likelihood of processing chokepoints in an MUE given the intertwined nature of the programs.

Table 3-7. DUA Claims Tracking

Does the state UI agency process DUA claims through its UI system (including issuing monetary and non-monetary determinations)?		
Yes	29	60.4%
No	17	35.4%
Do not know	1	2.1%
No response	1	2.1%
Total	48	100.0%

Another aspect of the UI/DUA eligibility determination process is tracking the filing and proof of wage eligibility requirements. Table 3-8 results indicate that nearly three in four state UI agencies track these requirements manually. Because the requirements (and their potential interactions) are potentially complex, a major increase in volume, such as that produced by an MUE, would quickly tax the availability of trained staff to hand process DUA claim volumes. As most state UI agencies do not have the emergency procurement authority to hire and train additional staff, this step will become another chokepoint in claims processing.

Table 3-8. Claim Requirements Tracking

What method(s) does the agency track the DUA 30-day filing requirement and 21-day proof of wages/employment requirement?		
Manually	35	72.9%
Automated	12	25.0%
None	2	4.2%
Other (please specify)	3	6.3%

Table 3-9 describes the ability of state UI agencies to track more than one set of DUA claims at a time. This was one of the findings from the lessons learned in the Gulf States. Some state UI agencies' benefit systems were not capable of handling more than one disaster at a time. Although the likelihood of simultaneous disasters is low, the inability to account for multiple disasters is indicative of the flexibility and scalability of the DUA process in the state UI agency. The responses indicate that more than 80 percent of state UI agencies are capable of tracking more than one disaster a time.

A major problem for LDOL in responding to the Katrina MUE was payment of claims. Louisiana, whose payment procedures depended on mailed checks, found itself without means to reliably deliver the checks. The USPS delivery failed for large sections of southern Louisiana. This failure, combined with multiple, rapid address changes by evacuating claimants, and a debit card payment procedure (instituted during disaster recovery) created a payment delivery chokepoint of major proportions.

Table 3-9. Capability for Processing Multiple DUA Events Simultaneously

Does the agency have the capability of taking, processing, accounting, and paying DUA claims for two or more simultaneous disasters?		
Yes	39	81.3%
No	5	10.4%
Do not know	4	8.3%
No response	0	0.0%
Total	48	100.0%

The potential for similar problems during an MUE is displayed in Table 3-10. ROs found that state UI agencies pay claims via paper check, but less than half use EFT. This suggests that for about one-half of the state UI agencies, delivery of payments could be compromised in an MUE.

Table 3-10. Claims Payment Methods

What payment media does the agency use to pay UI and DUA benefits? (Check all that apply).		
Electronic funds transfer (ETF)	22	45.8%
Paper check	47	97.9%
Bank debit card	7	14.6%
None of the above	0	0.0%
Do not know	0	0.0%
Other (please specify)	3	6.3%

3.4.1.3 Agency Disaster Recovery

The next questions provide a characterization of how well prepared state UI agencies are to reconstruct claims processing after a catastrophe in which state UI agency resources are damaged or destroyed. A fundamental element of state UI agency reconstruction is the retention of current claims records. In Table 3-11, the basic capability of current computer records portability (the ability to locate and reload computerized UI data at an alternate processing site) is met by four-fifths of the agencies.

Table 3-11. Agency Claims Records Survivability

Does the agency maintain one or more copies of state UI agency records in computer-readable, portable form from which current claims processing could continue in the event the main processing site was rendered unusable?		
Yes	39	81.3%
No	6	12.5%
Do not know	3	6.3%
Total	48	100.0%

That 19 percent of state UI agencies lack (or do not know whether they lack) records portability is reason for concern. Portability of computer records is at the heart of state UI agency reconstruction. If a state UI agency cannot move its current claims records readily from one system to another, it will not be able to reconstitute itself after a disaster. The results of this item alone suggest nearly 20 percent of state UI agencies would not be able to reconstruct their processing if they lost their current records.

A greater proportion of state UI agencies maintain archival copies of records at a level that would permit the state UI agency's processing history to be recreated after a disaster. Table 3-12 shows that almost 90 percent of state UI agencies can reconstruct their records from archival copies of the claims data.

Table 3-12. Machine-Readable Archive Record Survivability

Does the agency maintain archival copies of historical claim records in machine-readable, portable form that would permit the agency to recreate its history in the event of the destruction of the primary copy (copies) of such records?		
Yes	42	87.5%
No	4	8.3%
Do not know	2	4.2%
No response	0	0.0%
Total	48	100.0%

Another critical dimension of state UI agency survivability and reconstitution is basic provision of electrical services to the state UI agency's IT system. Slightly less than one-half

of the state UI agencies have the most desirable form of electrical service configuration, emergency power generation, and uninterruptible power supplies (UPSs) (see Table 3-13).

Table 3-13. IT Systems Electrical Power Assurance

What power supply protections does the agency provide its IT systems? (Check all that Apply)		
Emergency generators	4	8.3%
UPS	4	8.3%
Emergency generators & UPS	22	45.8%
None	1	2.1%
Do not know	15	31.3%
Other	2	4.2%
Total	48	100.0%

Given the importance of IT to the successful processing of claims, another measure of a state UI agency’s ability to recover from a disaster can be measured by the time required to reconstitute the IT infrastructure after a disaster. Table 3-14 portrays state UI agencies as requiring significant amounts of time to reconstruct their IT infrastructure. Data indicates that one-half of the state UI agencies require three months or less. The “do not know” indicates that the ROs did not have this information. However, due to the significance of this item, it would be prudent to ascertain this information and ensure that IT recovery occupies the prominence in the state UI agencies that it deserves. Aside from the “Do not know”, the results of this question can be interpreted as taking too much time.

Table 3-14. Time to Reconstitute IT Suite after Disaster

After a disaster in which the state UI agency's IT suite (servers/mainframe/LAN/workstations) has been rendered unusable, how long will it take the state UI agency to reconstitute the IT suite?		
< 1 month	16	33.3%
1 - 3 months	9	18.8%
3 - 6 months	3	6.3%
> 6 months	0	0.0%
Do not know	19	39.6%
No response	1	2.1%
Total	48	100.0%

Collectively, the previous four items suggest that state UI agencies may be prepared to handle minor, short term outages, but will struggle to respond effectively to a major disaster. There exists a small minority of state UI agencies who apparently are unprepared to recover from a significant disaster.

3.4.1.4 Emergency Office Space

Another key question to be addressed in planning for disaster recovery during an MUE is the identification and acquisition of physical space suitable for housing state UI agency operations. Without alternative or excess space, a state UI agency has no place to reconstitute operations or to house staff responding to an MUE. In the aftermath of a disaster, state UI agencies may find themselves competing for the limited amounts of office space available in a region. Table 3-15 suggests that about three-quarters of the state UI agencies have addressed this problem, but nearly one-fifth have not.

Table 3-15. Emergency Replacement Office Space

Does the agency have access to office space that might be used to accommodate an augmented staff during an emergency?		
Yes	35	72.9%
No	9	18.8%
Do not know	3	6.3%
No response	1	2.1%
Total	48	100.0%

3.4.1.5 Emergency Procurement Capability

Another lesson learned during the Katrina/Rita disasters was the need for effective emergency procurement. The lack of ability to procure outside the normal procurement review cycle is critical to a state UI agency's disaster response. Temporary personnel, satellite telephones, replacement equipment, increased supply replenishment, and other items required by the state UI agency all depend on effective emergency procurement. Table 3-16 presents the ROs data on the state UI agencies' access to emergency procurement authority.

Table 3-16. Emergency Procurement Authority

Does the state UI agency have emergency procurement authority that permits it to make extraordinary purchases outside the normal procurement regulations during a disaster?		
Yes	18	37.5%
No	9	18.8%
Do not know	21	43.8%
No response	0	0.0%
Total	48	100.0%

Slightly more than one-third of the state UI agencies have emergency procurement authority. This compilation suggests that a substantial majority of agencies lack the ability to move rapidly in response to an MUE.

3.4.1.6 State UI Agency Participation in State Emergency Management Functions

An indicator of the degree to which state UI agencies are considered part of the emergency response mechanism is its representation on the state emergency planning council. Table 3-17 shows that about three in five state UI agencies are members of their state emergency council, suggesting that there is substantial room for improvement in the future.

Table 3-17. State UI Agency Representation on State Emergency Council

Is a state UI agency representative a member of the state (or local) emergency planning council?		
Yes	28	58.3%
No	7	14.6%
Do not know	10	20.8%
No response	3	6.3%
Total	48	100.0%

As an important early responder in disasters, state UI agencies should plan with their respective state emergency management agencies for assistance in returning operations to normal. In the aftermath of a disaster that damages state UI agency resources, the state’s emergency management agency will likely be a primary source of assistance. The emergency management agency will have knowledge crucial to state UI agency operations including the timing of electrical power repairs and other critical infrastructure questions. The data in Table 3-18 suggest that less than one-half of the state UI agencies have such an agreement. The remainder would appear to be operating at risk to the degree that emergency agreements are not in place. There was no information for approximately forty-one percent of the state UI agencies.

Table 3-18. Emergency Assistance Agreement with State Emergency Management Agency

Does the state UI agency have an agreement with the state Emergency Management Agency that describes the potential types of assistance a state UI agency may need in a major disaster?		
Yes	22	45.8%
No	5	10.4%
Do not know	20	41.7%
No response	1	2.1%
Total	48	100.0%

3.4.1.7 Findings: State UI Agencies Ability to Respond to an MUE

Are the state UI agencies confident of their ability to process an MUE using solely their own resources? The results of the analysis suggest that they are not. According to the information provided by the ROs, 60 percent of state UI agencies may not be able to process

more than double the normal claims volume. Given an MUE of the magnitude experienced by Louisiana, no state UI agency would be capable of processing the increased claims filing without resources from outside the state.

The state UI agencies' handling of UI processing in disaster-affected areas appears to be more mature than their ability to process DUA claims from those areas. Significant vulnerabilities to the process of taking UI and DUA claims exist in the areas of mail handling and payment delivery. Most state UI agencies have the ability to handle multiple DUA events.

Relatively few state UI agencies have access to the necessary emergency procurement authority necessary to respond rapidly to a disaster. In balance, the data indicate that there are significant problems with the capability of state UI agencies to respond to an MUE on their own.

3.4.2 Call Center Analysis

Combined with the internet during the 2005 Gulf Coast hurricanes-induced MUEs, Call Centers made it possible for assisting state UI agencies to augment Louisiana's and Mississippi's UI workload. Information collected by CSRs in the Call Centers was entered directly into the LDOL's Internet web site and collected into spreadsheets to subsequently be shipped, which reduced the need for paper processing in Louisiana. The use of call centers from the state UI agencies of assisting states made it possible for LDOL to respond to the MUE.

The Call Center is a powerful, cost-effective tool used on a daily basis by many of the state UI agencies. Properly configured, Call Centers can serve many varied functions in responding to an MUE. Aside from their primary role as claims takers, they can also be used to provide claimant information, update claim data, support key entry of UI data, and perform a host of other labor intensive tasks. Their geographic independence makes them a helpful tool when responding to an MUE. Effectively, any claimant with access to a telephone can file a claim, update claim information, and receive basic information from the state UI agency about his/her claim.

When equipped with load-sharing software, and modern telephonic switches, the Call Centers can operate from any state UI agency, and receive calls forwarded from almost any telephone trunk line. This capability makes the location of the Call Center nearly transparent to the claimant. It can also be a primary means of bringing cost-effective claims taking assistance to state UI agencies responding to an MUE.

This section examines the degree to which the state UI agencies have adopted Call Center technology, their ability to rapidly train and expand existing Call Center staff, and the capacity of installed Call Center technology to share call loads between multiple state UI agency Call Centers. The extent to which call centers can be used in response to an MUE depends on the following factors:

- The extent that call centers are employed in claims taking under normal conditions.
- The number of states that have load-sharing software installed in their Call Centers.

- Excess Call Center capacity.
- The time state UI agencies need to hire and train CSR staff.

3.4.2.1 Claims Taking in Call Centers

Examining the types of claims taken through state UI agency Call Centers, more than three quarters of state UI agencies take initial UI claims through Call Centers (see Table 3-19). Conversely, the ROs indicated that only half of the state UI agencies take initial DUA claims through the Call Center.

Table 3-19. Types of Initial Claims Taken by Call Centers

Which types of claims does the state UI agency accept through its call center(s)? (Check all that apply)		
Initial – UI	37	77.1%
Initial - UI-UCX	37	77.1%
Initial - UI-UCFE	37	77.1%
Initial - UI-Interstate	37	77.1%
Initial – DUA	26	54.2%
Initial – Other	11	22.9%
Initial – None	0	0.0%
Total	48	100.0%

Table 3-20 illustrates that the proportions drop substantially for continuing claims, both UI and DUA. Taken together, Table 3-19 and Table 3-20 suggest that a strong majority of the state UI agencies take initial and continued UI claims through their Call Centers, but fewer do so for DUA claims. These results indicate that it may be easier to augment UI claims taking during an MUE than it may be to do so for DUA claims.

Table 3-20. Continued Claims Taken by Call Centers

Which types of continued claims does the agency accept through its call center(s)? (Check all that apply)		
Continued - UI	33	68.8%
Continued - UI-UCX	33	68.8%
Continued - UI-UCFE	33	68.8%
Continued - UI-Interstate	31	64.6%
Continued - DUA	19	39.6%
Continued - Other	11	22.9%
Continued - None	3	6.3%
Total	48	100.0%

3.4.2.2 Call Center Usage

Viewing Call Center usage from the perspective of volume provides another assessment of state UI agency operations (see Table 3-21). About 40 percent of state UI agencies take more than three-quarters of their UI claims through Call Centers. An additional 30 percent of state UI agencies take between 25 and 75 percent of their UI claims through the Call Center. These results strongly suggest that the call center is the hub of claims taking operations for most state UI agencies. The ROs did not report on approximately 20 percent of their state UI agencies.

Table 3-21. Percentage UI Claims Processed through Call Centers Annually

Which category below best characterizes the percentage of UI claims processed annually through the call center(s)?		
Less than 10%	0	0.0%
10 - 25%	2	4.2%
25 - 50%	8	16.7%
50 - 75%	7	14.6%
More than 75%	19	39.6%
None	0	0.0%
Do not know	1	2.1%
No response	11	22.9%
Total	48	100.0%

Looking at the results for DUA claims yields substantially reduced levels of Call Center involvement. The proportions of Call Center claims for DUA are 30 percent of the state UI agencies taking 75 percent of DUA claims annually with an additional ten percent taking between 25 and 75 percent (see Table 3-22). Ten percent of state UI agencies do not take DUA claims through a Call Center.

Table 3-22. Percentage DUA Claims Processed through Call Centers Annually

Which category below best characterizes the percentage of DUA claims processed annually through the call center(s)?		
Less than 10%	3	6.3%
10 - 25%	1	2.1%
25 - 50%	2	4.2%
50 - 75%	3	6.3%
More than 75%	14	29.2%
None	6	12.5%
Do not know	4	8.3%
No response	15	31.3%
Total	48	100.0%

State UI agency use of Call Centers for taking UI and DUA claims and the proportion of UI and DUA claims taken follow a pattern. The majority of state UI agencies take UI and DUA claims, but the proportions of DUA claims taken through Call Centers is much lower than the proportion of UI claims. These results suggest that it may be easier for assisting state UI agencies to take UI claims for an affected state UI agency than it will be for the same state UI agency to take DUA claims. In each result set, there exists a minority of state UI agencies that do not take DUA claims through Call Centers.

A much-used function of Call Centers during the Katrina MUE was updating claim information, especially such items as mailing address, telephone number, and employment information. Table 3-23 shows that nearly four-fifths of state UI agencies use their Call Centers for information functions under normal circumstances. Further, the ability for assisting state UI agencies to use their Call Centers to provide claim status information is an invaluable lesson learned discovered during the 2005 Gulf Coast hurricanes.

Table 3-23. Dispense Basic Information - Call Centers

Can claimants receive basic information about their active UI/DUA claim through a call center?		
Yes	37	77.1%
No	0	0.0%
Do not know	0	0.0%
No Response	11	22.9%
Total	48	100.0%

3.4.2.3 Call Center Vulnerability

An important consideration in the assurance of Call Center service survival within a given state is the geographical distribution of the Centers. States with only one Call Center may be assumed to be vulnerable to the failure of the Call Center in a disaster.

Table 3-24 shows that about one-third of state UI agencies operate three or more Call Centers. Twenty-five percent of state UI agencies operate two Call Centers, and twenty-one percent operate only one Call Center. This result suggests a vulnerable concentration of UI operations in one location.

Table 3-24. Number of Call Centers Operated by State UI Agencies

How many separate UI/DUA telephone call centers does the state UI agency operate?		
1	10	20.8%
2	12	25.0%
3 or more	15	31.3%
None	11	22.9%
Do not know	0	0.0%
Total	48	100.0%

3.4.2.4 Call Center Scalability

A consideration in the examination of Call Centers as a tool for responding to MUEs is the capacity of the Call Centers as measured by the number of CSRs currently employed by the state UI agencies. Table 3-25 shows that about one-half of state UI agencies employ fewer than one hundred CSRs at the current time. Only three state UI agencies have more than 500 CSRs on staff. These results suggest that the typical state UI agency Call Center operation employs a small CSR staff.

Table 3-25. Number of CSRs Employed by State UI Agency Call Centers

On average, how many CSRs does the state UI agency currently employ in its telephone center(s)?		
Less than 100	23	47.9%
100 – 250	7	14.6%
250 -500	4	8.3%
500 – 1000	3	6.3%
More than 1000	0	0.0%
Do not know	0	0.0%
No response	11	22.9%
Total	48	100.0%

Table 3-26 suggests that almost all of the state UI agencies are using IVR software in their call centers. The use of IVR technology permits state UI agencies to minimize CSR staff.

The ROs did not have information for more than 20 percent of the state UI agencies. An additional 12 percent indicate that they do not use IVR software in their Call Centers. The consequences of these results for MUE assistance are not positive. With relatively small staffs and a potentially large minority of state UI agencies not using IVR, the excess capacity in the overall community is likely to be small.

Table 3-26 Call Center IVR Software Usage

Do the state UI agency's call centers use Interactive Voice Response (IVR) software to take claims?		
Yes	30	62.5%
None	6	12.5%
Do not Use	1	2.1%
Do not know	0	0.0%
No response	11	22.9%
Total	48	100.0%

Table 3-27. Call Center CSR Capacity

What is the maximum number of CSRs the state UI agency's telephone centers can accommodate in a disaster? (Assume multiple daily shifts)		
Less than 100	9	18.8%
100 - 250	15	31.3%
250 -500	5	10.4%
500 - 1000	2	4.2%
More than 1000	3	6.3%
No upper limit	0	0.0%
Do not know	3	6.3%
No response	11	22.9%
Total	48	100.0%

If state UI agencies do not maintain relatively high CSR-count Call Centers, can the call centers be expanded in response to an MUE? Table 3-27 indicates that about 40 percent of state UI agencies have a capacity of 250 CSRs or fewer. Ten agencies can expand to a head count of 250 to 1000 CSRs. The latter group constitutes a potentially significant resource to responding to an MUE anywhere in the country.

Another aspect of augmenting the Call Center response to an MUE is the techniques by which the state UI agencies train new CSRs. The results depicted in suggest that training methods used in Call Centers consist of paper manuals, on the job training, in-person training, and interactive web site training. The most portable and easily reproducible training method, the interactive web site, is used relatively little in CSR training. These results imply that training new CSRs in response to an MUE will take somewhat longer and rely on less ideal, non-portable training techniques. The ideal training mode for CSRs during an MUE, based on the assumption that trained people will be occupied otherwise, will be techniques that require relatively little interaction with veteran agency staff, at least initially.

Further, the USDOL ROs were asked to ascertain the ability of their state UI agencies to double and triple the number of trained CSRs in a two week period. Data shows that more than half of the state UI agencies thought that doubling CSR staff at their agency was

achievable with moderate to extreme effort (see Table 3-29) compared with six percent of state UI agencies who could not be achieve this CSR staffing level.

Table 3-28. CSR Training Methods

By what methods (choose all that apply) are new CSRs trained by the state UI agency?		
Platform (in-person) training	17	35.4%
Interactive web site	9	18.8%
Paper manuals	32	66.7%
On the job training	34	70.8%
No formal training	0	0.0%
Do not know	1	2.1%
Total	48	100.0%

Table 3-29. Double CSR Staffing in Two Weeks

Which response best describes the agency's ability to double the number of trained telephone center CSRs in a two week period following a disaster?		
Very easily achievable	1	2.1%
Easily achievable	2	4.2%
Achievable with moderate effort	16	33.3%
Achievable with extreme effort	11	22.9%
Not achievable	3	6.3%
Do not know	4	8.3%
No response	11	22.9%
Total	48	100.0%

However, when investigating state UI agencies' ability to triple the trained CSR count in two weeks, the number of state UI agencies who could do so, even with extreme effort, dropped to 43 percent (see Table 3-30). These results tend to support the premise that excess CSR capacity in the UI community is limited. Interpretation suggests that the ability to expand the CSR count rapidly is also limited. Taken together, the results indicate that a large MUE in a state will require the assistance from more state UI agencies rather than fewer due to the limitations placed on the ability of each state UI agency to expand its Call Centers.

3.4.2.5 Call Center Load Sharing

Another dimension of the Call Center is the use of call sharing/load monitoring software that allows the diversion of calls from one Call Center to another. This is a key element in any MUE response involving the Call Centers of assisting state UI agencies.

Table 3-31 indicates that half of the state UI agencies with Call Centers have such software. About one-third of state UI agencies with Call Centers do not have load sharing software.

A final consideration in telephone call sharing between state UI agency Call Centers is the use of redundant switches. A Call Center that operates over a single switch is subject to a single point of failure. If the switch is rendered inoperable for any reason, so will the Call Center.

Table 3-30. Triple CSR Staffing in Two Weeks

Which response best describes the agency's ability to triple the number of trained telephone center CSRs in a two week period following a disaster?		
Very easily achievable	0	0.0%
Easily achievable	0	0.0%
Achievable with moderate effort	4	8.3%
Achievable with extreme effort	17	35.4%
Not achievable	10	20.8%
Do not know	6	12.5%
No response	11	22.9%
Total	48	100.0%

Table 3-31. Load-Sharing Software

Are the state UI agency's call centers connected by call load sharing/monitoring software? (This is software that allows incoming calls to be shared among multiple call centers to balance the workload).		
Yes	24	50.0%
No	11	22.9%
Do not know	2	4.2%
No response	11	22.9%
Total	48	100.0%

Redundant switching is relatively inexpensive to establish. Its presence helps reduce the statistical probability of switch failure that will terminate Call Center operations. Table 3-32 indicates that about 44 percent of state UI agencies have Call Centers equipped with redundant switches. The ROs' data also indicates that 15 percent of UI agencies did not have this capability or the status of switching was unknown. The remaining 25 percent represent the agencies without Call Centers and thus this capability does not exist.

Table 3-32. Call Centers Protected by Redundant Switches

Are the state UI agency's call centers protected by redundant telephone switches?		
Yes	21	43.8%
No	6	12.5%
Do not know	9	18.8%
No response	12	25.0%
Total	48	100.0%

3.4.2.6 Findings: Call Center Analysis

To what extent does the infrastructure of support exist to permit mutual assistance between state UI agencies? Does an appropriate level of Call Center technology exist to permit the state UI agencies to rapidly come to the aid of an affected state UI agency? The answers to these questions are mixed. UI processing is substantially more mature than DUA processing, as measured by the use of the Call Centers. Many of the state UI agencies process DUA claims strictly on paper using separate systems from those employed to process UI claims. On the other hand, the majority of states have in place elements of the technical infrastructure necessary to respond, i.e., the Call Center.

A majority of state UI agencies have Call Centers equipped with IVR software. They are capable of call load sharing and have protection against single-point-of-failure switching. The absence of excess capacity and the apparent inability to rapidly increase the number of trained CSRs will constitute vulnerability in any response to an MUE. The training methods

used in Call Centers consist of paper manuals and on-the-job training. These results imply that the training of new CSRs in response to an MUE will take somewhat longer and rely on less ideal, non-portable training techniques.

The greatest likelihood is for Call Centers to play a substantial role in any MUE response. However, the response will take somewhat longer due to the time needed to increase the CSR count at the Call Centers. One possibility, to mitigate this risk, is to establish a Call Center(s) to be the lead assistant whose responsibility is to augment the capabilities of any state UI agency responding to their disaster. However, it must be noted that the assisting state UI agency may temporarily reassign staff to support the disaster response. As a result, the assisting state UI agency may run the risk of reducing service levels to their citizens.

3.4.3 Internet Processing

Internet processing of state UI agency claims is a very important tool for disaster response. Once an agency web site has been activated, virtually anyone from anywhere can reach the site and interact with the UI system. Internet technology is robust; it operates 24/7, usually without disruption. Internet servers are easily and inexpensively duplicated, allowing state UI agencies to meet increased workload rapidly. Compared to the claim taking alternatives, Call Centers and paper, the internet is substantially less expensive to operate, easier to maintain, relatively simple to relocate, and may be used to respond rapidly to an MUE.

Combined with Call Centers during the MUE after Katrina, the internet made possible the taking of claims by assisting state UI agency staffs around the country. Information collected by CSRs in the assisting state UI agencies could be entered directly into the Louisiana web site, reducing the need for paper processing. There were more internet claim filings in the 2005 Louisiana MUE than any other means. The rapidly-initiated Mississippi internet filing site was considered a major contributor to Mississippi’s MUE response by the state UI agency’s staff.

Given the recognized value of the internet to assist in response to an MUE, it is important to assess how well the state UI agencies have integrated internet technology to facilitate their response to an MUE and to allow other state UI agencies to assist in disaster responses.

3.4.3.1 Claims Types Processed Over the Internet

Table 3-33 shows that the ROs data covers 48 state UI agencies, of which two-thirds of state UI agencies accept UI claims, one-sixth accept UI and DUA claims, and the final one-sixth do not use the internet for claims.

Table 3-33. State UI Agencies Using Internet Processing

Which types of claims does the state UI agency take across the Internet?		
UI	32	66.7%
UI & DUA	8	16.7%
None	8	16.7%
Do not know	0	0.0%
No response	0	0.0%
Total	48	100.0%

Looking at a breakdown of the types of initial UI claims accepted, Table 3-34 shows that a preponderance of state UI agencies accepts UI claims (including Interstate, Unemployment Compensation for Federal Employees [UCFE], and Unemployment Compensation for eX-military [UCX]) compared to 21 percent of state UI agencies that accept DUA claims over the internet.

Table 3-34. Initial Claims Taken by Internet

Which types of claims does the state UI agency accept across the Internet? (Check all that apply)		
Initial – UI	39	81.3%
Initial - UI-UCX	26	54.2%
Initial - UI-UCFE	27	56.3%
Initial - UI-Interstate	30	62.5%
Initial – DUA	10	20.8%
Initial – Other	2	4.2%
Initial – None	1	2.1%
Total	48	100.0%

Table 3-35 portrays a slightly reduced use of the internet for continued UI and DUA claims as compared to initial claims. Taken together, the results of the Table 3-34 and Table 3-35 suggest that state UI agencies are using internet technology widely. What remains of concern are the relatively few state UI agencies that permit DUA filing on the internet and the minority of states that do not permit any filing over the internet. In the former case, the data highlight a potential area for improvement. In the latter, the data suggest that there exist a few states that do not have the benefit of internet technology for claims filing and, consequently, will likely experience more difficulty responding to an MUE. Further, it will be more difficult for other state UI agencies to assist in a disaster.

Table 3-35. Continued Claims Taken by Internet

Which types of claims does the agency accept across the Internet? (Check all that apply)		
Continued – UI	33	68.8%
Continued - UI-UCX	28	58.3%
Continued - UI-UCFE	29	60.4%
Continued - UI-Interstate	29	60.4%
Continued – DUA	8	16.7%
Continued – Other	2	4.2%
Continued – None	7	14.6%
Total	48	100.0%

3.4.3.2 Volume of Claims over the Internet

The previous tables provided evidence of the availability of internet filing among the state UI agencies. The next tables give insight into the volume of claims filed, under normal conditions, via the internet. Table 3-36 shows slightly more than 40 percent of state UI agencies took between one-fourth and one-half of their UI claims over the Internet. Given that the ROs provided data for 48 state UI agencies, the data suggest that eight state UI agencies are probably not using the internet for UI claims filing.

Table 3-36. Percentage UI Claims Processed by Internet

Which category below best characterizes the percentage of UI claims processed annually across the Internet?		
Less than 10%	1	2.5%
10 - 25%	10	25.0%
25 - 50%	17	42.5%
50 - 75%	5	12.5%
More than 75%	6	15.0%
None	0	0.0%
Do not know	1	2.5%
Total	40	100.0%

Table 3-37 illustrates that the proportion of state UI agencies receiving between one-fourth and one-half of their DUA claims via the internet drops to six percent. Sixty percent of state UI agencies do not receive DUA claims over the internet.

The results reinforce the observation that the state UI agencies need to focus their efforts on improving internet usage, especially for DUA claims filing.

3.4.3.3 Other Internet Applications

A consistent observation made by state UI agencies that have responded to disasters has been that UI and DUA claim filing is only a small part of the overall processing load. Call Centers in these state UI agencies bore the major responsibility for maintaining and updating claimant information after the initial claim had been filed. This was especially true in Louisiana where a large-scale evacuation of New Orleans residents occurred, causing some claimants to change contact information multiple times.

Table 3-37. Percentage DUA Claims Processed by Internet

Which category below best characterizes the percentage of DUA claims processed annually across the Internet?		
< 10%	0	0.0%
10 - 25%	2	6.5%
25 - 50%	2	6.5%
50 - 75%	1	3.2%
> 75%	2	6.5%
None	20	64.5%
Do not know	4	12.9%
Total	31	100.0%

This appeared to be an area in which internet usage could leverage the existing resources of a state UI agency in an MUE by allowing the routine querying and updating of personal information to be conducted via the internet. Table 3-38 and Table 3-39 provide evidence of agency usage of the internet for answers to routine claimant questions and in permitting the claimant to update basic personal information.

Table 3-38. Internet Viewable Claimant Information

Which of the following information items can a claimant view across the Internet for an active claim? (Check all that apply).		
Current mailing address	12	25.0%
Current telephone number	13	27.1%
Current payment method	10	20.8%
Current number of dependents	3	6.3%
Current federal/state withholding status	11	22.9%
Current benefit amount	17	35.4%
Benefit payment history	16	33.3%
Benefit amount remaining	18	37.5%
Date of next benefit payment	6	12.5%
No information viewable across the Internet	16	33.3%
Do not know	1	2.1%
Other (please specify)	2	4.2%

Table 3-38 portrays the state UI agencies as not using the internet for purposes of viewing claimant information very frequently. About one-quarter to one-third of state UI agencies use the internet to allow claimants to view basic information about their claim. One-third of state UI agencies do not allow any querying of claim information across the internet.

Table 3-39. Internet Changeable Claimant Information

Which of the following actions can a claimant take to change his/her information on an active claim?		
Update mailing address	16	33.3%
Update telephone number	17	35.4%
Change payment method	8	16.7%
Change number of dependents	1	2.1%
Request federal/state withholding from benefit check	11	22.9%
No updates allowed	19	39.6%
Do not know	2	4.2%
Other (please specify)	2	4.2%

The response pattern in Table 3-39 portrays the lack of facilities to update basic claim data across the internet by nearly 40 percent of state UI agencies. The most frequently permitted updates, mailing address and telephone number, are permitted by only one-third of the state UI agencies.

It is essential that internet capabilities in support of state UI agency operations exist so that assisting state UI agencies have access to claims information for the state UI agency that is recovering from an MUE.

According to earlier interviews with state UI agencies during the lessons learned phase of this study, the ITSC found that another step in the UI/DUA processes that disaster-affected state UI agencies reported as a chokepoint was Appeals. The initiation of an appeal can be facilitated by use of the internet, saving significant amounts of state UI agency staff time, especially in a response to an MUE.

Table 3-40 shows that about one-fourth of the agencies permit the initiation of an appeal across the internet, while almost 60 percent do not.

Table 3-40. Internet Appeals Usage

May a claimant use a state UI agency Internet site to initiate the appeal of a claim decision?		
Yes	12	25.0%
No	28	58.3%
Do not know	0	0.0%
No response	8	16.7%
Total	48	100.0%

Another area in which the state UI agencies may use the internet to leverage scarce staffing resources and to avoid mail service breakdowns is the distribution of notices and basic informational materials. Most state UI agencies appear to perform this task quite well for UI information, but the results in Table 3-41 demonstrate that this is not the case for DUA

information. One-half of the state UI agencies rely on mailed pamphlets for distribution, while only six percent use the internet for this purpose.

Table 3-41. Distribution Methods for DUA Benefit Rights and Responsibilities

What method(s) does the state UI agency use to distribute DUA Benefit Rights and Responsibilities Information to claimants?		
Mailed pamphlet	24	50.0%
Telephone Recording	2	4.2%
Web Site	3	6.3%
Do not know	2	4.2%
Other	17	35.4%
Total	48	100.0%

3.4.3.4 Uninterrupted Internet Operations

One of the keys to uninterrupted internet service is the “spare server” or the “hot spare server.” These computers are duplicates of the primary server(s) and differ only in the amount of time that will elapse before they can be in service, should the primary fail. The “spare” server typically requires human intervention, taking a few hours to a few days to install and operate. The “hot spare” is a duplicate server already running and capable of taking over the role of the primary in a matter of milliseconds, often automatically upon the failure of the primary. Because it is critical to preserve state UI agencies’ internet processing presence and establish extra capacity as needed, the ITSC sought this data from the ROs. Table 3-42 presents results indicating about one-fifth of the state UI agencies have “hot spare” servers. This suggests an area of risk that should be attended to for assurance of internet service in a disaster.

Table 3-42. Internet “Hot Spare” Server Redundancy

Does the state UI agency maintain 'hot spare' Internet servers in locations distant from the primary servers?		
Yes	11	22.9%
No	18	37.5%
Do not know	11	22.9%
No response	8	16.7%
Total	48	100.0%

3.4.3.5 Findings: Internet Processing

Does an appropriate level of internet technology exist to permit the state UI agencies to rapidly come to the aid of an affected state UI agency? UI processing is substantially more mature than DUA processing, as measured by the use of the internet. Many of the state UI agencies process DUA claims strictly on paper using separate systems from those employed

to process UI claims. The majority of state UI agencies have in place the technical infrastructure necessary to support internet applications.

Although most state UI agencies take UI claims across the internet, they have not integrated the internet into operations in a manner that would maximize the reduction in the demand for staff during an MUE response. Specifically, almost all querying and updating of claimant records is still accomplished on paper or through the Call Center. The consequence is increased demands on state UI agency staff and the potential for chokepoints in processing. Overall, the state UI agencies rely too heavily on manual paper processing, especially for DUA claims. To move towards meeting the requirements of an MUE, the UI community must apply more automation to the claimant-state UI agency interface. Wherever feasible, state UI agencies should employ a “self-service” approach to the filing and management of UI and DUA claims. This internet capability can also be used in the Call Centers of other state UI agencies that may be called upon to provide assistance to the state UI agency responding to their disaster.

3.4.4 State UI Agency Continuity of Operations Plan (COOP)

In this section, the assessment addresses the following questions: Have state UI agencies taken the necessary steps to ensure the continuity of their operations? For those state UI agencies with a COOP, how well is the plan maintained and integrated into state UI agency activities?

Disasters may be divided into two categories, those that do not affect the resources of the state UI agency and those that do. In the latter case, if a state UI agency is to be a player in the response to that disaster, it must be able to protect itself and, as necessary, reconstitute itself. State UI agencies must have a COOP. The purpose of the COOP is to provide the framework by which the state UI agency responds to circumstances in which it loses some (or all) of its resources. As defined in the lessons learned section of the project, resource is a term that includes all of the necessary materials and services to operate the state UI agency, whether directly owned by the state UI agency or not.

3.4.4.1 State UI Agency Continuity of Operations Planning

Table 3-43 shows that two-thirds of the state UI agencies did have a COOP. According to ROs’ data, the remaining one-third of the state UI agencies did not have a COOP or “Do not know”.

Table 3-43. State UI Agency COOP Planning

Does the agency have a formal, written Continuity of Operations Plan?		
Yes	32	66.7%
No	10	20.8%
Do not know	6	12.5%
No response	0	0.0%
Total	48	100.0%

For state UI agencies that have a COOP, about one-quarter performed an agency-wide COOP exercise each year (see Table 3-44). Exercising the COOP validates policies, plans,

procedures, and ensures that personnel are sufficiently trained. It also verifies that resources and equipment are capable of supporting operations. The result is singularly important, a COOP that remains unexercised has a high probability of failure in the event of an actual emergency. What the results suggest is that the proportion of state UI agencies with a COOP that may be effective in an emergency is no more than one-fourth of the total. Based on the data, only nine state UI agencies exercised their COOPs.

Table 3-44. COOP Annual Exercise

Does the agency conduct an annual all-hands exercise of the COOP?		
Yes	9	28.1%
No	18	56.3%
Do not know	5	15.6%
Total	32	100.0%

Organizations, and the circumstances in which they exist change rapidly, requiring regular reviews and modifications to COOP planning. One indicator of the relevance of the COOP to its organization, and the degree to which it is integrated into an organization's functions, is the frequency with which it is updated. In Table 3-45, the results of an item concerning COOP review are presented. Of those agencies with COOPs, slightly more than one-half review and update them annually. The remainder does not review their COOP annually or the ROs did not have this information. The results of this and the previous item suggest that among those state UI agencies with COOPs, maintenance of the plan is not satisfactory.

Table 3-45. Annual Coop Review

Does the state UI agency perform an annual COOP review and update of listed resources required to perform essential functions?		
Yes	18	56.3%
No	9	28.1%
Do not know	5	15.6%
Total	32	100.0%

3.4.4.2 Quality of State UI Agency COOPs

The next series of questions characterizes the quality of existing COOPs. It is not sufficient to simply have a COOP. The state UI agencies must make comprehensive plans for all the elements of their processing.

A primary concern is the degree to which state UI agencies have made preparation for the physical relocation of the state UI agency's operations and staff. Table 3-46 suggests that nearly all of the state UI agencies with COOPs have made some arrangements for physically housing the state UI agency, should it prove necessary.

Table 3-46. Use of Secondary Locations

Does the plan specify a secondary location(s) from which UI operations could continue in the event of the destruction of facilities or disruption of operations at the state UI agency's primary claims processing facility?		
Yes	27	87.1%
No	2	6.5%
Do not know	2	6.5%
Total	31	100.0%

A lesson learned from Louisiana's and Mississippi's experience responding to the Katrina MUE, and by North Carolina in a similar hurricane disaster, was that there was no mechanism by which the state UI agency could locate employees or that employees could tell the state UI agency what their circumstances were. Consequently, the state UI agencies lost sight of staff. The results in Table 3-47 suggest that virtually all of the state UI agencies with COOPs have made preparations for reestablishing contact with their staff. What is of concern, however, is that about one-third of the state UI agencies do not have COOPs. For those state UI agencies which do have a COOP, but do not exercise it annually, telephone lists can quickly become outdated.

Table 3-47. Use of Telephone Trees for Staff Contact

In regard to the state UI agency's staff, does the plan contain a telephone tree (a cascading list of telephone numbers in which each contacted staff member calls several additional staff members) by which the state UI agency and its employees may re-establish contact after a disaster?		
Yes	30	96.8%
No	0	0.0%
Do not know	1	3.2%
Total	31	100.0%

Because a disaster may deprive the state UI agency of staff, or a claims surge may require extra staffing, the existence of emergency staffing plans is critical to the operation of the state UI agency in emergency circumstances. The results presented in

Table 3-48 show that about 70 percent of state UI agencies with COOPs have emergency staffing plans, and 30 percent do not. This suggests that for those state UI agencies with COOPs, emergency staffing could become a problem during emergencies in which staffing was affected.

Table 3-48. Staff Replacement/Supplementation Plans

Does the COOP contain specific plans for the identification of replacement personnel and additional staff, as required?		
Yes	18	58.1%
No	9	29.0%
Do not know	4	12.9%
Total	31	100.0%

A related staffing contingency in a disaster is the delegation of authority from absent staff to available staff. Because delegation is not easily done ad hoc, advance planning about who will assume responsibility in the absence of normally constituted authority has major significance. Typically, large organizations will have delegations of authority for financial and some operational matters. However, for state UI agencies, the need is magnified by the number of layers of specialized decision making.

Table 3-49 presents results that suggest about 29 percent of agencies with COOPs have made delegation of authority decisions for Administrators and Senior Managers. For lesser ranks, delegation drops to 12 and 25 percent respectively. The 'Do not know' response represents about 25 percent of the state UI agencies that the ROs have no data for. These results illustrate another potential point of failure in disasters that affect staffing.

Table 3-49. COOP Delegation of Authority

In the event of a disaster, at which of the following organizational levels does the COOP delegate authority in the absence of the primary actor? (check all that apply)		
Administrator/Senior Manager	9	29.0%
Unit Head/Section Head/Branch Chief	4	12.9%
'Lead' Specialist/Senior Staff	8	25.8%
Do not know	8	25.8%
Other (please specify)	2	6.5%
Total	31	100.0%

Along with a physical facility in which a staff (duly delegated and augmented) may conduct business, the state UI agency will also require records, both current and past, and the equipment, especially computers and telecommunications infrastructure, in order to continue work.

Table 3-50 shows those agencies with COOPs overwhelmingly made provisions for moving records from the primary to alternate operating facilities. Sixteen percent of the state UI agencies had no provisions for movement of records from the primary to alternate operating

facility. The USDOL ROs could not provide answers for ten percent of the agencies that had COOPs.

Table 3-50. Relocation of Records

Does the plan include provisions for the movement of records from the primary to the alternate operating facility(s)?		
Yes	23	74.2%
No	5	16.1%
Do not know	3	9.7%
Total	31	100.0%

COOP provisions for IT and related communications infrastructure were particularly strong, with the results indicating that 90 percent of the state UI agencies with COOPs had plans for relocating or obtaining essential equipment (see Table 3-51).

Table 3-51. COOP Provision for Essential Equipment

Does the COOP identify equipment, including information technology and telecommunications hardware needed to perform essential agency functions?		
Yes	28	90.3%
No	1	3.2%
Do not know	2	6.5%
Total	31	100.0%

Based on the results in Table 3-52, it appears that among those state UI agencies with COOPs, about 50 percent have planned to continue in their alternate facilities for an indefinite period. Nearly 25 percent, however, plan to stay in an alternate site for a month or less.

Table 3-52. COOP Duration

For what time period does the COOP plan to sustain essential state UI agency functions?		
< 30 days	4	12.9%
30 days	3	9.7%
31 - 60 days	2	6.5%
Indefinitely	15	48.4%
Do not know	5	16.1%
Total	31	100.0%

3.4.4.3 Findings of Results

Table 3-53 portrays those state UI agencies with COOPs as planning most frequently for floods, fires, tornados, disease pandemics, and terrorism, followed closely by bio-chemical/chemical/hazardous materials. The range and diversity of the planning for threats reflects the diversity of the states in which the agencies are physically located.

In concluding this section, the initial questions are revisited:

- Have state UI agencies taken the necessary steps to ensure the continuity of their operations?
- For those state UI agencies with a COOP, how well is the plan maintained and integrated into state UI agency activities?

Answers to these questions, as provided by the results of the analysis, indicate that the UI system COOP cannot weather a major disaster that causes an MUE. Two-thirds of the agencies have COOPs, but, of that number, only one-fourth of the state UI agencies exercise and update the COOP at a frequency that would promote confidence in plan usage in the event of an emergency. The results suggest that about four-fifths of the state UI agencies either do not have a plan or lack a frequently updated plan.

Table 3-53. Threats Identified for COOPS

Against which of the following risks/threats has the plan been prepared? (Check all that apply)	
Bio-Chemical Event	9
Chemical Accident	12
Dam Failure	8
Disease Pandemic	11
Earthquake	9
Fire	14
Flood	17
Hazardous Material Event	10
Heat	6
Hurricane	3
Landslide	3
Nuclear Accident/War	6
Terrorism	10
Tornado	13
Tsunami	1
Volcano	2
Wildfire	7
All of the Above	4
None of the Above	1
Other (please specify)	5
No Response	32

For those state UI agencies with a COOP, plans for staffing and delegation of authority appear to be a weakness that can reduce the performance of a state UI agency during an emergency. For a substantial portion of state UI agencies, results indicate that the COOP has not been adequately integrated into the state UI agencies' daily operations. To that extent, these state UI agencies should also be considered vulnerable.

3.5 UI PROGRAM RISK

To this point in the analysis, the focus has been on the vulnerabilities of the state UI agencies in their response to MUEs and disasters. The conjunction of the threat, the level of state UI agency preparedness, and the population characteristics necessary for an MUE constitute risk to the UI program. The risk provides a measure of how severe the consequences can be should a disaster from a threat occur in a state. Conversely, threats can exist where little is at risk, meaning that investment in meeting the threat is not required.

Financial resources are limited, requiring some means of allocation. Risk assessment provides an investment road map for disaster preparation. Common sense and current practice dictate that financial resources should be focused on those areas where the risk appears greatest. However, performance of a risk analysis, which can be used to evaluate resource assignments for the national UI disaster preparedness plan, is not in the scope of this study.

3.5.1 Population Density Risk

Because all state UI agencies must continue to operate, and there is no effective means of forecasting threats (beyond hurricanes in the southern US and earthquakes along the western coast), the analysis assumes an equal threat level for all state UI agencies for purposes of disaster preparedness. As a result, it is important to focus on population and preparedness.

Those state UI agencies in densely populated states with large urban centers are more likely to sustain an MUE during a disaster than would state UI agencies in sparsely populated rural states. This follows from more people being exposed to a given threat. Where the population is less dense and workers are scattered, the overall risk is lower, though these state UI agencies may still experience an MUE and require assistance in the same manner as larger state UI agencies.

Appendix A contains state population measures, including overall population, employee population, urban population, and urban density. These measures were grouped and the groupings cross-tabulated against the measurement of the state UI agencies' ability to respond to an MUE (see

Table 3-1 for a distribution of the MUE response data).

Table C-1 depicts a relationship between urban density and the MUE estimate that suggests a substantial risk. The least and most densely populated states are served by state UI agencies that appear unprepared to respond to an MUE. Those state UI agencies with the highest estimates on the MUE question are predominately in states with medium urban population densities.

Table C-2 suggests that states with the largest number of employees also appear at the lower end of the MUE response item. Table C-3 shows that the relationship also holds for overall state populations. Summing the populations in the three most populous state categories, a total of 200 million people can be said to be at elevated risk, based on the state UI agencies' perceived ability to respond to an MUE.

This analysis suggests that the inability of state UI agencies to respond to an MUE affects all states to some extent, but those states with the largest and densest populations are the most likely to be affected.

3.6 ASSESSMENT CONCLUSIONS

This document, based upon the USDOL ROs' knowledge about their state UI agencies, defines the baselines of individual state UI agencies. In particular, the baseline covers planning and operations and enables conclusions to be drawn regarding the UI community's range of disaster planning and preparation. State UI agency disaster preparedness spans from well-prepared to somewhat prepared to unprepared. This phenomenon is not surprising given that there are 53 state UI agencies, each of which has different levels of funding and capabilities. As a result, variations in the range of state UI agency disaster preparedness are expected, especially when reviewed in light of responding to an MUE.

3.6.1 Gaps

The range of disaster response preparation, as portrayed by the data, is much broader than it should be in a community whose mission requires state UI agencies to provide secondary response to disasters. There are too few state UI agencies at the "very well prepared" end of the range and too many at the "not very well prepared" end. As a result, there are more vulnerable state UI agencies and fewer state UI agencies that are prepared to meet the challenges of their own disaster and to assist other state UI agencies when disaster strikes them.

The most significant "gap" the data show is in the ability of the UI community to collectively meet the challenges of recovery from a disaster affecting one of their members and in the collective preparation of the community to respond to an MUE. Inadequate planning, call center configuration, and Internet configuration make assistance by another state UI agency difficult. Ultimately, the state UI agencies rely too heavily on paper processing, which makes assistance from the outside problematic. Call center operations do not contain significant excess capacity and have not been configured to permit major expansion. There are too many state UI agencies with COOPs that are not regularized into state UI agency operations, and there are state UI agencies without COOPs.

From the inception of the UI program, the emphasis has been on the self-sufficiency and independence of the states with regard to the UI system. In many ways, this emphasis was well-placed, given the state UI agency role as an insurer of income to the short-term

unemployed. When the distribution of DUA was added to the state UI agencies' collective mission, the requirements of the mission changed.

Those organizations charged with the distribution of assistance in a disaster have a new set of requirements to meet, both in the processing of claims and in their own survivability. Add to these requirements the reality of a much more urban country with a denser population than was known by the UI program's founders, and the preparation gap described by the data is explained. It is not the state UI agencies that created a deficiency in disaster response; rather it is changing population densities and the requirement to service vast quantities of claimants in a timely manner that was emphasized by the events of the 2005 Gulf Coast hurricanes.

3.6.1.1 Ability of the State UI Agencies to Respond to an MUE

Do the state UI agencies have sufficient, credible resources for handling large increases in claims volume, an MUE, on their own without assistance from other state UI agencies? Based on the results, the state UI agencies cannot. This cluster of state UI agencies will require substantial assistance from other state UI agencies to successfully respond to an MUE.

Are the state UI agencies prepared to survive a disaster and reconstitute themselves afterwards? The answer to the question is more positive than the previous answer, but still "No".

3.6.1.2 Call Center Analysis

Call center technology was adopted earlier by state UI agencies and is generally more mature than the Internet technology at the state UI agencies. A majority of state UI agencies have call centers equipped with IVR software. They are capable of load sharing and have protection against single-point-of-failure switching. The absence of excess capacity and the apparent inability to rapidly increase the number of trained CSRs will constitute vulnerability in any response to an MUE. The greatest likelihood is for call centers to play a substantial role in any MUE response, but the response will take somewhat longer due to the time needed to increase the CSR count at the call centers. It is recognized that not all state UI agencies have call centers. Given the importance of call centers to support a response to an MUE, it is essential that state UI agencies make arrangements for this capability in their contingency plans. For example, state UI agencies without call centers may establish agreements with other state UI agencies having call centers to provide call center support during an MUE.

3.6.1.3 Internet Processing

Though the majority of state UI agencies take UI claims across the Internet, they have not integrated the Internet into operations in a manner that would reduce the demand for staff during an MUE response. Almost all querying and updating of claimant records is still accomplished on paper or through the call center. The consequence in an MUE will be increased demands on overtaxed UI staff, and the potential for chokepoints in processing. Overall, the state UI agencies rely too heavily on manual paper processing, especially for DUA claims. For the state UI agency community to move towards meeting the requirements of an MUE, there must be substantially more automation of the claimant-state UI agency interface. Wherever feasible, state UI agencies should employ a "self-service" approach to the filing and management of UI and DUA claims. This approach will enable assisting state

UI agencies to electronically take claims, update claims, and provide status information to the claimant on behalf of the state responding to an MUE.

3.6.1.4 State UI Agency Continuity of Operations Plans (COOPs)

About two-thirds of state UI agencies have COOPs. However, for those that have COOPs, only one-half update them annually. Only one-half of these, about 25 percent of the total number of state UI agencies, exercised their COOPs annually, the most direct measure of integration into agency operations.

A majority of the state UI agencies have the requisite personnel, office space, and IT plans suitable for reconstituting the state UI agency after a disaster. Most state UI agencies have made plans to remain in their reconstituted mode for an indefinite period. However, few of these relatively well-prepared agencies have delegations of authority in place, suggesting that a disaster that results in substantial human casualties would leave them disorganized, lacking in management.

The absence of integration of the COOP into the state UI agency's operations is a major vulnerability uncovered by the assessment. Plans that are not integrated by regular updating, testing, and modification are not likely to succeed in a disaster response. The UI community could do well to use the approach of Florida whose COOP plans are exercised several times each year through intentional design or hurricanes.

The results suggest that a few state UI agencies have planned, and are probably about as well-prepared as possible, to respond to a range of disasters. However, there is a large "gap" between the few well-prepared state UI agencies and the majority of less-well-prepared state UI agencies. At the extreme end of the preparation range, a few state UI agencies have done little to prepare for a disaster.

To what extent does the infrastructure of support exist to permit mutual assistance between state UI agencies? Does an appropriate level of Internet and call center technology exist to permit the state UI agencies to rapidly come to the aid of an affected state UI agency? The answers to these questions are mixed. UI processing is substantially more mature than DUA processing, as measured by the use of the Internet and call centers. Many of the state UI agencies process DUA claims strictly on paper, using separate systems from those employed to process UI claims. On the other hand, the majority of state UI agencies has in place the technical infrastructure necessary to respond, i.e., the Internet and call centers.

3.6.2 MUE Risk to the UI Community

The measurement of MUE risk, as defined by the relationship between the state UI agencies' ability to respond to an MUE (as reflected by the assessment data) and three population measures (general population, urban density, and employee population) may be said to affect the largest most densely populated states. Approximately 200 million citizens live in those states that are among the least well-prepared to respond to an MUE.

APPENDIX A POPULATION MEASURES

State Name	Urban Population	State Population	State Employment (000)	Urban Density (population/square mile)
Alabama	2,465,673	4,447,100	1,906	1,386
Alaska	411,257	626,932	320	1,579
Arkansas	1,404,179	2,673,400	1,166	1,550
Arizona	4,523,535	5,130,632	2,512	2,699
California	31,985,112	33,871,648	15,443	4,041
Connecticut	2,988,059	3,405,565	1,655	1,701
Delaware	627,758	783,600	420	2,079
District of Columbia	572,059	572,059	666	9,378
Florida	14,270,020	15,982,378	7,802	2,328
Georgia	5,864,163	8,186,453	3,961	1,574
Hawaii	1,108,225	1,211,537	606	3,118
Idaho	856,962	1,293,953	636	2,108
Illinois	10,909,520	12,419,293	5,821	3,053
Indiana	4,304,011	6,080,485	2,916	1,951
Iowa	1,787,432	2,926,324	1,461	2,192
Kansas	1,920,669	2,688,418	1,315	2,229
Kentucky	2,253,800	4,041,769	1,780	1,856
Louisiana	3,245,665	4,468,976	1,771	1,954
Maine	512,878	1,274,923	606	1,438
Michigan	7,419,457	9,938,444	4,334	2,221
Minnesota	3,490,059	4,919,479	2,648	2,313
Mississippi	1,387,351	2,844,658	1,098	1,490
Missouri	3,883,442	5,595,211	2,696	2,135
Nebraska	1,193,725	1,711,263	897	2,625
Nevada	1,828,646	1,998,257	1,243	3,364
New Hampshire	732,335	1,235,786	631	1,313
New Jersey	7,939,087	8,414,350	3,961	2,846
New Mexico	1,363,501	1,819,046	791	1,814
New York	16,602,582	18,976,457	8,395	4,215
North Carolina	4,849,482	8,049,313	3,904	1,367
North Dakota	358,958	642,200	335	2,467
Ohio	8,782,329	11,353,140	5,361	2,199
Oklahoma	2,254,563	3,450,654	1,483	1,956
Oregon	2,694,144	3,421,399	1,483	2,626
Pennsylvania	9,464,101	12,281,054	5,598	2,224
Rhode Island	953,146	1,048,319	489	2,453
South Carolina	2,427,124	4,012,012	1,831	1,306
South Dakota	391,427	754,844	382	2,330
Tennessee	3,620,018	5,689,283	2,724	1,490
Texas	17,204,281	20,851,820	9,659	2,415
Utah	1,970,344	2,233,169	1,135	2,855
Virgin Islands	732,335	121,917	44	1,313
Vermont	232,448	608,827	303	1,577
Virginia	5,169,955	7,078,515	3,618	2,184
Washington	4,831,106	5,894,121	2,821	2,281
Wisconsin	3,663,643	5,363,675	2,783	2,240
West Virginia	832,780	1,808,344	703	1,478

Wyoming	321,344	493,782	263	1,904
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APPENDIX B RESOURCE INTERVIEW SCHEDULE

B.1 PROJECT BACKGROUND

The Information Technology Support Center (ITSC) has been tasked by our Steering Committee to support the national unemployment insurance (UI) disaster preparedness project. The results of the project will be the delivery of a National Unemployment Insurance (UI) Disaster Preparedness Plan. This plan is intended to ensure that unemployment benefits are accessible to eligible unemployed workers within a short time following a disaster that results in unemployment claims levels beyond the capacity of the impacted state UI agency to handle independently.

To develop this plan, the ITSC will collect and compile information learned from recent disasters and identify gaps in the capacity of the state and federal UI systems/technology to respond to a major disaster. Using the information collected and prepared by the ITSC, the ITSC will inform our federal/state workgroup on recommended changes in the roles and responsibilities of the federal and state partners, procedures, policies, legislation, technologies, resources that should be addressed, and solicit the workgroup's feedback.

B.2 NOTES TO INTERVIEWER

This document is intended to be used as a guide for discussing and collecting information on state's experiences from recent disasters as either a helping state or as the state that suffered the disaster. The document will also help identify existing state capabilities to respond to a disaster and elicit feedback from states with respect to what capabilities are needed to provide an improved response for future disasters.

B.3 GENERAL DISCUSSION QUESTIONS

- What impact did the disaster have on UI operations?
- What existing UI systems were affected?
- What existing UI systems worked well?
- What were your biggest problems the agency faced during this disaster? (Initial claims taking, eligibility, weekly claims, check status, address changes, direct deposit, return-to-work, interstate, Disaster Unemployment Assistance [DUA] claims)?
- What were the most difficult impediments to claims processing?
- As a result of the disaster, were any major changes/fixes/enhancements put into place to improve future disaster response? If so, what were they?
- Based on the experience of the agency, what changes would prove the most beneficial to improve disaster response (especially claims processing) in the future?
- As a result of the disaster experience, what state or federal legal code changes would most assist the agency in coping with future disasters?
- What are the state's most important lessons learned from recent disasters? Are there documented lessons learned that can be shared?
- How much of an increase in claim load can the state handle comfortably? That is, what is the tipping point?

- Was the state's contingency plan used to support the agency's disaster response? If so, did it work? What was useful in the plan and/or did the plan need to be updated?

B.4 FOCUSED DISCUSSION QUESTIONS

B.4.1 UI AGENCY'S WORKFORCE

- What was the size of the agency's workforce prior to the emergency? (Number of claims takers, number of adjudicators, etc)
- What claim load can the agency support without becoming overwhelmed? (What is the tipping point?)
- During peak processing or in an emergency situation, how was the agency's workforce augmented to support the additional workload?
- Did the emergency affect the UI staff's ability to report to work? Did the UI staff have to be supplemented with temporary hires?
- What were the consequences for the staff from working with claimants?

B.4.2 UI AGENCY MANAGEMENT TEAM

Describe the actions of the agency's senior management during and immediately after the emergency.

- Were they proactive?
- Were decisions made promptly?
- Were minutes of the actions/decisions documented?
- Were decisions disseminated to staff promptly and did staff receive the same interpretations of the decisions?
- Did management ensure supplies were ample?
- Did they proactively communicate expectations with the staff?
- Did they use contingency plans?
- Were any UI rules relaxed? (By directive of state or federal officials)

B.4.3 UI AGENCY COMMUNICATION

Describe how the agency communicated within the UI agency.

- Were there Inter-agency communications? If so, how was it handled?
- What is the agency's plan for communicating with the public? How did the agency communicate with the public?

B.4.4 AGENCY PHYSICAL PLANT

Describe the effects of the emergency to the state UI agency's physical plant (facilities, computing, data communications, telephone communications, etc).

Describe the effects of the emergency to the state UI agency's local/regional offices.

Describe the state UI agency's Alternate Emergency Facilities, if used during the emergency.

B.4.5 CALL CENTERS

Describe the state UI agency's call centers.

- What is the capacity of the call center(s)? (Claims taking?, continued claims?, number of callers?)
- Could calls be rerouted?
- What was the configuration of call centers used during the emergency?
- What problems did the agency face with claims taking?

B.4.6 CLAIMS PROCESSING

B.4.6.1 Initial Claims

For each initial claims taking method below, describe the approximate proportion of claims taken by each method, and the problems experienced.

- Internet Filing
- Paper Forms
- Call Centers
- ICON

B.4.6.2 Interstate Claims Capacity

- Did the agency process claims via the Interstate Connectivity Network (ICON) or another interstate claims taking system?
- What were the results?
- Were there processing limitations experienced?
- With respect to supporting high workload over ICON, did the state UI agency have to modify mainframe components (data sets, processing times, etc)?
- Did the state UI agency experience a claims load volume (over ICON) that surpassed ICON's capability to transmit the data without losing information?

B.4.6.3 One-Stop Centers

- Did the use of One-stop Centers, either fixed or mobile, prove effective in taking claims? If so, how?
- What problems were encountered and what worked well?
- Are there lessons learned?

B.4.6.4 Continued Claims Processing

Describe the manner in which continued claims were taken.

- What is the state's normal method of taking continued claims?
- What is the state's normal maximum capacity for continued claims taking? Will the state have to augment the staff to support this maximum capacity?
- Did the state experience problems with reopened claims as a result of the disaster?

B.4.7 PAYMENT OPERATIONS

B.4.7.1 Payment Processing

Describe payment method(s) were used by the state during the emergency.

- Paper Checks
- Electronic Funds Transfer
- Bank Debit Cards

Describe payment operations during the emergency.

- Did the state experience any problems associated with an increased volume? For check printing or other payment types?
- Did the state's printers support the capacity?
- Was there enough check stock?
- Were there problems with issuing debit cards?
- Could the banks issue debit cards fast enough and in enough volume?

Describe any problems experienced with making payments during the emergency, solutions implemented (and if they worked), and lessons learned.

B.4.7.2 Offsets and Withholding

Did the agency experience problems with offsets or withholding during the emergency?

B.4.8 INFRASTRUCTURE

B.4.8.1 Agency Information Technology (IT) Infrastructure

- Mainframe
- Was a mainframe used during the emergency?
- Were there capacity problems?
- Were there other problems?
- Local area network
- Was a local area network (LAN) used by the agency during the emergency?
- What, if any problems were encountered?
- Did the emergency create a need to make changes in the agency's computer systems? If so, what problems were encountered?
- How quickly was IT able to make programming changes? Was the software changes maintained in a version management system so that after the disaster the changes could be rolled back?
- Was the agency's computer system readily extensible to accommodate the increased processing load during the emergency?
- Did the agency undertake changes to the existing set of rules governing UI and DUA? If so, what were they?
- Were there any long-term consequences of making rule changes to the UI software? Could the agency easily revert back to non-emergency baselines?

B.4.8.2 Agency Voice and Data Communications Infrastructure

- Could the state UI agency's telephone system handle the additional volume of calls from UI claimants?
- To what extent were the state UI agency's operations affected by damage to:
- Communications facilities during the emergency?
- Voice service facilities during the emergency?
- Wireless voice service facilities during the emergency?
- Satellite voice service facilities during the emergency?
- Data network service facilities during the emergency?

B.4.8.3 Public Infrastructure Affect on State UI Agency Operations

- To what extent were the state UI agency's operations affected by damage to public infrastructure during the emergency?
- To what extent were the state UI agency's operations affected by loss of electrical services during the emergency?
- Did the state UI agency have backup power capabilities? If so, were they adequate to enable full UI operations (mainframe, phone systems, call centers, workstations, etc)? Did systems cut over to backup systems gracefully?
- To what extent were the state UI agency's operations affected by shortages of fuel during the emergency?
- To what extent were the state UI agency's operations affected by loss of public/private transportation services during the emergency?

B.4.8.4 Delivery of Services

- Of the major private parcel delivery services (United Parcel Service [UPS], Federal Express, DHL, Airborne, etc.) and the United States Postal Service (USPS), were any used during the emergency? In what capacity? At what volume?
- Did the USPS experience difficulty delivering the mail to the affected areas? Was the agency forced to seek other means of delivery for payments?
- Did the other delivery services experience difficulty delivering parcels to the affected areas?
- What problems did the agency face?
- What solutions did the agency implement?
- What lessons were learned?

B.4.9 EMPLOYER IMPACTS AND TRUST FUND

- How did the state handle problems where the employer site was devastated and records were no longer available?
- How was the trust fund reimbursed for the costs of the emergency?
- What, if any, impact was there on employers?

B.4.10 DISASTER PLANNING

Had the agency prepared emergency plans that included:

- Business Continuity Plan
- Disaster Recovery Plan
- IT data back-up and recovery plan (with SunGard or other entity)
- Were these plans updated and maintained at regular intervals?
- Were these plans useful in addressing the emergency?
- What enhancements are needed for the plans?
- What lessons could be learned from using the plans?

B.4.11 PURCHASING AND CONTRACTING

- Does the agency have emergency contracting procedures in place?
- Does the agency have a plan for reimbursing assisting states during an emergency?

B.4.12 FEDERAL GOVERNMENT RESOURCES

B.4.12.1 United States Department of Labor (USDOL) Resources

- What resources did USDOL provide the agency during the emergency?
- What assistance could the USDOL have provided the UI agency to facilitate disaster operations and recovery?

B.4.12.2 Other Federal Agency Resources

- Was the state able to coordinate activities with Federal Emergency Management Agency (FEMA)?
- Did FEMA act as an impediment to UI functions?
- Did the use of FEMA prove effective in taking claims or in other state UI agency functions? If so, how?
- Did the use of the National Guard prove effective in taking claims or in other state UI agency functions? If so, how?
- Did the United States (US) Internal Revenue Service (IRS) prove effective in assisting the state UI agency? If so, how?

B.4.13 DISASTER COORDINATION

- How was disaster coordination performed?
- Did the state UI agency use a disaster coordination website?
- How did it work?
- What other vehicles did the state UI agency use to share operational information to support disaster operations?

B.4.14 PUBLIC SECURITY

- Did the state UI agency have plans for ensuring security?

- To what extent were the state UI agency's operations affected by a breakdown in public order or damage to facility security or lack of information security during the emergency?

B.4.15 ASSISTING STATE

Describe the state UI agency's call centers.

- Capacity?

If another state assisted with call center support during the emergency, describe the support and its benefits and problems.

Describe the configuration of call centers used during the emergency.

Describe the problems the agency faced with claims taking.

B.4.16 FUTURE CAPABILITIES DISCOVERY

Answer the following questions looking in light of today's disaster preparedness capabilities within the state UI agency and where the state UI agency should be in the future:

1. Disaster recovery/contingency plans:
 - What plans do the state UI agencies have?
 - What type of disasters do the plans address?
 - Does the state UI agency have plans to address situations in which a large portion of the UI workforce is unable to report to work (terrorist situation or health quarantine)?
 - Have the plans been tested? If yes, please explain how.
 - Has the state UI agency used the plan? If yes, please explain the situation and indicate if the plan was beneficial or required changes.
 - Has the state UI agency updated its plan? If so, why were the updates made, when was the plan updated, and what did the update focus on?
 - Do the plans address a very large surge (five-tenfold increase) in claims intake and their associated payments?
 - Do the plans address the situation in which evacuations cause widespread logistical problems (such as change of address and the inability to get payments/mail to claimants)? If yes, please explain
 - Does the state UI agency have plans or agreements with other state UI agencies to support the UI process? If yes, please explain.
 - Does the state UI agency have agreements in place with other state or federal agencies to provide support for UI operations? If yes, please explain.
2. Call center fail-over capabilities, including examination of capabilities to reroute telephone numbers.
3. Data center disaster recovery/contingency operations capabilities:
 - Does the state UI agency have a hot-backup site? If yes, with whom and where. Please describe how quickly the backup site may be setup and how long operations can continue on the backup site.

- If the data center has to be relocated, are there communications capabilities in place to permit UI staff to use the system?
 - How do reports/output get to the state UI agency? How long will it take?
 - How far from the state UI agency (existing data center) is the disaster site located?
4. If there is a disaster situation and the state UI agency has to handle large volumes of paper:
- Does the UI agency have the capacity to handle large quantities of paper?
 - Can the agency get more forms quickly printed?
 - Can the agency get rapid approval from procurement to obtain the forms quickly?
5. Does the UI agency have the capability to minimize the requirement to handle large volumes of paper in the early periods after a disaster?
- Can call centers be used?
 - Can Internet be used?
 - Can ICON be used (Is ICON fully interfaced with the benefits system?)
 - Can document imaging be used?
 - Can the imaging system handle high volumes?
 - Does the state UI agency have support contracts to maintain the imaging equipment? If so, how often will the vendor service the equipment?
 - Does the state UI agency have contracts in place to obtain an adequate quantity of spare parts?
 - Are there spare parts (rollers, lamps, cleaning supplies, etc.) that need to support high-volume operations) maintained in house?
 - Is staff trained to operate and maintain the equipment?
6. Internet claims systems
- What claims types does the Internet claims system support?
 - Is DUA supported by the Internet claims system?
 - Does the state UI agency have Internet-based continued claims? If so, is it fully interfaced with the benefits system?
7. Support of interstate initial claims transactions and interfaces to state systems
- What Interstate Benefits (IB) applications are being run in operations? (IB1, IB4, IB4R, IB5, IB6)? If the state UI agency is not running IB1, does the state have the capacity to run IB1?
 - Are the IB transactions fully automated in which the IB data is electronically loaded into the benefits system and no data entry is required?
8. Does the state UI agency have a DUA system?
- Please describe the system (is it Internet-based, mainframe based, built into the benefits system, standalone personal computer (PC)-based, paper based, etc)

- Does the system automatically interface with the benefits system?
 - Explain any improvements that may be required for the DUA system
9. Does the state UI agency have Internet-based claimant inquiry capabilities?
- Please explain what the system will provide the claimant.
 - What enhancements to the system would be recommended to minimize the claimants, who are impacted by the disaster, need to contact the state UI agency?
10. Does the state UI agency have the ability to take on workloads from another state(s) that may be suffering from a disaster?
- Can the state UI agency's call center be automatically switched to/from the disaster state?
11. Payment processing
- Can the state UI agency generate checks at a volume increase of (5-10 fold)?
 - What method of payments are supported by the state UI agency (checks, direct deposit, debit card, etc)?
 - What improvements to the payment system are recommended to support a very large spike in payments due to a disaster?
12. Receipt of disaster payments funds from the federal government
- Specifically, what is the largest \$\$ amount that can be transferred to the state UI agency from the federal Government without blowing up the computer programs / accounting system?
13. In your opinion, what other capabilities does your state UI agency need (which is not in place) to support an in-state disaster situation in which there was a huge increase in claims volume (five- to tenfold)?

APPENDIX C RISK ASSESSMENT TABLES

Table C-1. State UI Agency Claims Estimate by States Grouped by Urban Density

States Grouped by Urban Population Density (Sextiles)															Total	PCT				
MUE Claims Estimate (Number Times Normal Workload)	# 1300-1500/ sq. mile		# 1500-1900/ sq. mile		# 1900-2100/ sq. mile		# 2100-2300/ sq. mile		# 2300-2600/ sq. mile		# 2600-9400/ sq. mile		Col %	Row %						
	Col %	Row %	Col %	Row %	Col %	Row %	Col %	Row %	Col %	Row %	Col %	Row %								
< 2 Times	0	0.0%	0.0%	2	25.0%	22.2%	2	25.0%	22.2%	2	25.0%	22.2%	1	12.5%	11.1%	1	12.5%	11.1%	9	18.8%
2 Times	4	50.0%	19.0%	2	25.0%	9.5%	3	37.5%	14.3%	5	62.5%	23.8%	6	75.0%	28.6%	6	75.0%	28.6%	21	43.8%
5 Times	2	25.0%	20.0%	2	25.0%	20.0%	2	25.0%	20.0%	1	12.5%	10.0%	0	0.0%	0.0%	0	0.0%	0.0%	10	20.8%
> 5 Times	0	0.0%	0.0%	1	12.5%	50.0%	1	12.5%	50.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	2	4.2%
Do Not Know	2	25.0%	33.3%	1	12.5%	16.7%	0	0.0%	0.0%	0	0.0%	0.0%	1	12.5%	16.7%	1	12.5%	16.7%	6	12.5%
Grand Total	8	100.0%		8	100.0%		8	100.0%		8	100.0%		8	100.0%		8	100.0%		48	100.0%

Table C-2. State UI Agency MUE Claims Estimate by Grouped State Employee Population

	Employees per State							
MUE Claims Estimate (Number Times Normal Workload)	Less than 1 Million	1 - 2 Million	2 - 3 Million	3 - 5 Million	5 - 7 Million	> 7 Million	Total	Row %
< 2 Times	2	3	2	1	1		9	18.8%
2 Times	5	4	3	3	2	4	21	43.8%
5 Times	5	3	2				10	20.8%
> 5 Times		2					2	4.2%
Do Not Know	4	1			1		6	12.5%
Total	16	13	7	4	4	4	48	100.0%
Column %	33.3%	27.1%	14.6%	8.3%	8.3%	8.3%	-	100%

Table C-3. State UI Agency MUE Claims Estimate by Grouped State Population

	Grouped State Population							
MUE Claims Estimate (Number Times Normal Workload)	5.7M	25.7M	32.2M	33.8	53	114	Grand Total	Row %
< 2 Times		4	1	2	1	1	9	18.8%
2 Times	3	3	3	2	5	5	21	43.8%
5 Times	3	4	2	1			10	20.8%
> 5 Times			2				2	4.2%
Do Not Know	2	3				1	6	12.5%
Total	8	14	8	5	6	7	48	100.0%
Column %	16.7%	29.2%	16.7%	10.4%	12.5%	14.6%	100.0%	

GLOSSARY

BCCP	Business Continuity and Contingency Plan
BDC(s)	bank debit card(s)
COB	Continuity of Business
COOP(s)	Continuity of Operations Plan(s)
CSR(s)	Customer Service Representative(s)
DR	disaster response
DRP	Disaster Response Plan
DUA	Disaster Unemployment Assistance
EFT	electronic funds transfer
EMAC	Emergency Management Assistance Compact
EOC(s)	emergency operations center(s)
ETA	Employment and Training Administration
FEMA	Federal Emergency Management Agency
FTE(s)	full time equivalency (ies)
GSA	General Services Administration
ICON	Interstate Connectivity Network
IRS	Internal Revenue Service
IT	information technology
ITSC	Information Technology Support Center
IVR	interactive voice response
LDOL	Louisiana Department of Labor
MDES	Mississippi Department of Employment Security
MUE(s)	mass unemployment event(s)
NASWA	National Association of Workforce Agencies
NEMA	National Emergency Management Association
NO	National Office
PSA(s)	public service announcements
RO(s)	Regional Office, regional offices
ROM	rough order of magnitude
SSA	Social Security Administration
SBR(s)	Supplemental Budget Request(s)
SSN	Social Security Number
UI	Unemployment Insurance
UIDPC(s)	UI Interstate Disaster Preparedness Council(s)
US	United States
USDOL	United States Department of Labor
USPS	United States Postal Service