



COMMONWEALTH of VIRGINIA
Virginia Employment Commission

Carrie Roth
Commissioner
Advisor to the Governor for
Strategic Initiatives

Post Office Box 26441
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November 1, 2022

The Honorable Glenn Youngkin
Governor, Commonwealth of Virginia
Patrick Henry Building
1111 E. Broad Street
Richmond, Virginia 23219

The Honorable Richard Saslaw
Chairman, Senate Commerce and Labor
Senate of Virginia
P.O. Box 396
Richmond, Virginia 23218

The Honorable Kathy Byron
Chairwoman, House Commerce and Energy
Pocahontas Building
900 E. Main Street
Richmond, Virginia 23219

The Honorable Adam Ebbin
Chairman, Commission on Unemployment Compensation
Senate of Virginia
P.O. Box 396
Richmond, Virginia 23218

Dear Governor, Chairmen and Madame Chair:

Per the 2023-2024 Budget of the Commonwealth of Virginia, the Virginia Employment Commission is required to provide an update on the Unemployment Compensation Ombudsman, the plan to resolve outstanding adjudications with issues established in 2020 and 2021, and the usability of the new information technology system to the Governor, House Commerce and Energy Committee, the Senate Commerce and Labor Committee, and the Commission on Unemployment Compensation. This letter serves to meet that requirement, and will be published and updated as also required within the current budget language.

As you are well aware, the VEC faced significant hurdles with the onset of the COVID-19 pandemic as the agency was not built or prepared for the unprecedented surge of claims. We cannot change what happened during that timeframe – but we have been hyper-focused on our strategy to first, stabilize the agency by eliminating the backlogs; second, transform the agency to become best-in-class; and third, build an agency resilient and responsive to the changes in the economy that, based on historical data, we know will happen. While we have a great deal of work still to do, our strategies are paying off and we have made a tremendous amount of progress. We are laser focused on our customers to get them the resources they need for the benefits they have earned.

Ombudsmen (Chief Customer Advocate) Project

The General Assembly created the opportunity for an Ombudsman, which we call our Chief Customer Advocate, to support individuals and groups who are underserved or disadvantaged and address the availability of and access to UI programs and services. Ensuring we had the right person for the position, Tamara Jones was hired in August to serve as the Chief Customer Advocate. She will lead a team of 14 Customer Advocates that will be located in Virginia Career Works Centers throughout the Commonwealth.

This team will be focused on outreach, education of local advocates and stakeholders, and removing barriers to UI benefits and services for our customers. Additionally, the Chief Customer Advocate will form a Customer Advisory Council (CAC) that will meet at least quarterly. The CAC will consist of representatives from local and state organizations that advocate on behalf of underserved populations and shall provide guidance and feedback to the Ombudsman on the effectiveness of the VEC's outreach efforts and areas where those efforts could be improved.

Following the hiring our Chief Customer Advocate, the Customer Advocate positions were posted on the state recruitment management system in September. In October, fourteen completed applicants were forwarded by Human Resources for various regions with the exception of no applications received for Northern Virginia. The Chief Customer Advocate worked closely with the Customer Relations & Information Control Manager to develop a plan to increase awareness of the regional positions. Also, the Customer Advocate recruitment link was shared with key stakeholders to disseminate the recruitment posting with eligible candidates within their networks.

Customer Advocate interviews were held for the following regional offices in October: Wytheville; Roanoke; Petersburg/Emporia/Prince George communities; and Henrico/Cedar Fork communities. New hires are pending personnel and background checks. Finding the right individuals to fill these roles are imperative to the success of the program.

The Chief Customer Advocate is providing educational information and assistance to all persons seeking assistance in appeals and other matters related to unemployment compensation. As the Customer Advocate positions are filled, the implementation of these

services will continue to expand. In addition, the Chief Customer Advocate is a key leader on our Plain Language Project team to ensure all of the efforts keep the customer as the focus and foundation of all communications from the Virginia Employment Commission. It is also important to note the entire agency completed customer service training in the spring and summer.

In accordance with 2022 legislation (HB 270 and SB 219), the Chief Customer Advocate has begun compiling and maintaining data on inquiries related to the unemployment compensation process and will make an annual report to the UC Commission. The report will be based on the types of assistance requested, and the actions taken and the disposition of each matter.

Resolving Outstanding Adjudications + All Issues on Claims from 2020/2021

The VEC is tasked with developing a plan regarding the specific actions and timeline to resolve outstanding adjudications and issues established on claims from 2020 and 2021. The VEC has set its priorities and developed its strategic direction to transform the agency to be the “Best in Class” example of an employment security agency in the country. In order to achieve this objective, the VEC has implemented strategies through 21 completed and nine in-flight initiatives that have substantially reduced backlogs of work. Over 98 percent of unpaid and paid claims in adjudication have been completed since January of this year. The potential fraud unpaid claims backlog has been reduced by 92 percent. Paid potential fraud claims have been reduced by 68 percent, with a strategy expected to reduce this work stream by 91 percent in November. These numbers include new claims in the work streams. While this report covers resolve outstanding adjudications and issues established on claims from 2020 and 2021, attached to this report is a chart on the backlog reduction and work to date.

The VEC conducts operations meetings with senior leadership and work stream leaders four days a week dedicated to providing actionable measures on backlog categories using transformation principles. In addition, the agency has implemented reporting tools and training for adjudication team members to continually increase their skills and outcomes.

- **Separation Reports:** Separation reports are submitted by employers once they are notified that a former employee has filed for unemployment benefits. Upon receipt of the separation report, VEC staff must review the report and enter the type of separation from employment as reported from the employer and any inconsistencies from the initial claim as reported by the employee. There is no current backlog of separation reports as all 246,273 outstanding in January were completed in March of this year and remain current.
- **Adjudication (Unpaid Claims):** These are claims that have been filed, but have yet to receive a payment or a decision to deny benefits. Examples of issues that could still need adjudication are where the claimant did not provide enough information or respond to requests to provide additional information regarding the last and liable

employer. The claim may have discrepancies as to the separation status; whereas an employee states he was terminated, but the employer reports that the employee quit. As of October 27th, zero unpaid claims have an issue establishment date in 2020 and five unpaid claims have an issue established in 2021. Those five claims were completed on October 31st.

- **Adjudication (Paid Claims):** These are claims that have been filed and the claimant has received at least one week of payment. Examples of issues that can fall in this category are a claimant has responded to a weekly filing question that requires review - this could be that the claimant refused work, reported income, or started a training program. It could also be a discrepancy on whether the claimant has qualified for state benefits or was in the Pandemic Unemployment Assistance (PUA) program previously. As of October 27th, zero paid claims have an issue establishment date in 2020 and 24 paid claims have an issue established in 2021 that have adjudication issues. These 24 claims will be resolved in November 2022.

There are 338 claims with an issue detection date in 2020 and 277 claims with an issue detection date of 2021 that the adjudication team has completed their work but the remaining issues must be completed outside of the adjudication team. These claims will be resolved by year end.

- **Potential Fraud:** The potential fraud to investigate is separated into two categories: unpaid claims and paid claims, and are issues created on claims for various identity and banking verification issues. As of October 27th, 3,904 unpaid potential fraud claims and 51,574 paid potential fraud claims remain outstanding. As noted above, an identity verification strategy effort will be executed in November with the anticipated outcome of reducing this number by 71 percent and the overall paid potential fraud claims backlog by 91 percent with the goal to resolve this category by calendar year end.

We have adjusted the work streams of the current adjudication staff as they have worked through the backlog to support other work streams. There is not a need to hire additional staff to resolve claims.

Information Technology System Feedback and Usability

The VEC instituted its new technology system (VUIS), for filing benefits in November of 2021 and accepted the project in 2022. Through the Chief Customer Advocate, customer call center, social media and email communications, we receive continual feedback on the usability of VUIS and adjustments are made as appropriate. This continual customer discovery is instrumental in the success of VUIS.

One of the key challenges to usability is how information is requested and communicated to the customer. As part of the VEC's Plain Language Communications project, the agency has reviewed all documents for clear understanding from the customer perspective

and are in the process of being updated. Through the VCU Wilder School's Performance Management Group (PMG), we have also surveyed claimants on their understanding of the unemployment insurance process, including usability of VUIS. These survey results will instruct the agency on how to better communicate and educate claimants, and make VUIS most efficient and effective for the customer. To pair with the survey, on behalf of VEC, PMG also conducted focus groups about VEC services and usability of customer facing tools with both claimant and business advocacy organizations to hear challenges and create recommended actions. The Customer Contact Center team is also collaborating with the VEC and Chief Customer Advocate to act on relevant customer usability issues discovered in calls. Daily updates are received from the Customer Contact Center team and weekly from the social media team with key indicators on usability.

In the early 2023, the agency will execute a survey that will collect feedback and usability on the site from customers at the local Virginia Career Works Centers across the Commonwealth. This information will be compiled and submitted to you all as required in the budget language by November 1, 2023.

In closing, each and every day VEC staff strive to meet agency goals, while continuing their work through an extraordinary volume and complexity of claims resulting from the pandemic. My team and I are committed to transform the agency through best-in-class practices and achieve our goal of being the best employment commission in the country. Please do not hesitate to contact me at carrie.roth@vec.virginia.gov or 804.786.3001 with any questions.

Sincerely,

A handwritten signature in black ink that reads "Carrie Roth". The signature is written in a cursive, flowing style.

Carrie Roth

Attachment: Backlog Reduction and Work to Date

Backlog Reduction and Work to Date

Category	Starting Balance on 1/15	Received Since 1/15	Removed or Complete Since 1/15	Current Balance on 10/27
Separation Reports	246,273	75,518	321,791	0
Adjudication (Claims)	109,362	82,083	189,588	1,857
Potential Fraud (Claims)	258,320	57,942	255,089	61,173
First Level Appeals (Case Dockets)	86,546	80,906	67,474	99,978
Total	700,501	296,449	833,942	163,008