



pennsylvania
DEPARTMENT OF LABOR & INDUSTRY

**Written Testimony of Secretary Julia K. Hearthway
Department of Labor & Industry**

**before the joint House and Senate Labor & Industry Committee
regarding the Unemployment Compensation Service Centers**

**Harrisburg, Pennsylvania
January 29, 2013**

Chairman Gordner, Chairwoman Tartaglione, Chairman Scavello, Chairman Keller, and members of the House and Senate Labor & Industry Committees, thank you for the opportunity to testify at this important hearing regarding the unemployment compensation service centers (UCSCs).

First, congratulations to you, Chairman Scavello, on being named chairman of the House Labor & Industry Committee. And, congratulations to all members for being appointed to this very important committee. I look forward to working with you this session on legislation that will benefit Pennsylvania's workforce.

This hearing is in regards to the difficulties unemployment compensation (UC) claimants have been experiencing in calling our service centers. Since coming on board as Secretary, UC programs have been front and center. I can assure you that your calls, letters and emails to the department on behalf of your constituents have not gone unnoticed. We have been working tirelessly to resolve the issues brought to our attention to ensure claimants receive answers to their questions. Likewise, I have been doing my best to keep you informed of our progress.

In that regard, three letters were hand-delivered to the General Assembly, copies of which I included with my written statement. The first letter, dated October 22, 2012, acknowledged the issue with the busy signals and outlined steps the department was taking to address it. The letter also included background on dwindling federal funding, the challenges associated with the prior administration's "no busy signal policy," and most important, the three avenues claimants have available to communicate with the UCSCs – Internet, fax and phone.

The second letter, dated December 17, 2012 provided an update of our investigation of the busy signals, along with startling statistics on the surge of busy signal and abandoned calls that rose to unprecedented and extraordinary proportions. The letter advised the best way for claimants/constituents to receive assistance is through the dedicated fax lines. I'm happy to report that the fax lines are working. We put in place an effective and efficient process in which we call back claimants within three days.

The third letter, dated January 24, 2013, provided an update on our intense investigation to the causes of the dramatic increase of calls. The investigation identified two primary causes for the increase:

(1) automatic re-dialing technology; and (2) technical problems with the phone system. We continue to make adjustments internally to meet the demand and appreciate your continued assistance in educating claimants on their options in contacting the service centers.

In that regard, we continue to work on internal improvements to the website and our processes to help claimants get the answers they need. A few notable examples are:

- Called-back 117 temporary UCSC workers.
- Established a dedicated fax line for claimants.
- Established a direct and dedicated phone line to the service centers at CareerLinks.
- Changed the core hours of operation to Monday through Friday from 8:00 a.m. to 4:00 p.m. to provide the highest staffing level available to take calls.
- Monitor talk and wrap-up times in order to process calls more efficiently to reduce busy signals.
- Encourage claimants to file Internet applications. This is done via a message queue heard by callers, conveyed verbally by staff, through periodic mailings and in emails to claimants.
- Established a "refresher training course" to examiner staff on adjudication processes and federal criteria and standards.
- Developed a comprehensive training package for temporary staff to ensure statewide consistency.
- Improved recruitment for Intermittent Intake Interviewers by requiring minimum experience and training to apply for the position.
- Added a video job description on the civil service website.

In addition to these efforts, the department has been working on providing tools to assist claimants searching for jobs. In July, 2012, the department introduced a JobGateway^(SM) portal for claimants to register as part of the work search requirement. JobGateway^(SM) is now opened to all job seekers in the state – anyone can go on JobGateway^(SM) and look at over 200,000 current job openings.

Also, the CareerLink[®] offices located throughout Pennsylvania are open for individuals to get one-on-one counseling for planning a career and finding employment. Just recently, we launched "PA Career Coach," an online career-planning tool (available at www.pacareercoach.org) where students and those seeking a career change can explore careers with pertinent information such as wages, education needed and jobs available.

As you can see, we are working aggressively to find solutions to these challenges. We want to ensure claimants receive the benefits they deserve and also have access to opportunities for gainful employment.

I am always open to input, suggestions and advice from anyone on how we can make the system work better.

Again, thank you for the opportunity to testify. I'm happy to answer any questions you may have.



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF LABOR AND INDUSTRY
HARRISBURG, PENNSYLVANIA 17120

THE SECRETARY

October 22, 2012

Dear Legislator,

It has come to my attention that many of you are receiving complaints from Unemployment Compensation (UC) claimants who are experiencing difficulty getting through to the UC service centers (UCSC) on the telephone lines. The Department of Labor & Industry (L&I) understands the stressful situation claimants face when they lose their jobs and know the last thing they want to deal with is a busy signal at a government office. The purpose of this letter is to inform you of the steps we are taking to address the issue.

First, it is important to understand that funding for the administration of UC programs comes from the federal government based on Pennsylvania's unemployment rate, initial claims and continued claims. In January 2011, the number of Pennsylvania's initial claims was three times higher and the number of continued claims was almost four times higher than the respective numbers in September 2012. This downward trend means that Pennsylvania is eligible for \$30 million fewer federal dollars to administer UC programs in Federal Fiscal Year 2013.

During the recession, the Rendell administration adopted a 'no busy signal' policy and substantial financial and human resources were devoted almost exclusively to this strategy, with less than satisfactory results. Busy signals have plagued the system for years. Moreover, this policy perpetuated a reliance on telephone services rather than encouraging other means such as the Internet to apply for benefits and seek answers to basic questions. The consequences of this 'no busy signal' policy are one reason we are experiencing the high call volumes today.

While telephone services will continue, our current fiscal situation demands we look at more cost effective and efficient means of communicating with claimants. We are providing three avenues for UC claimants to contact L&I: (1) through the Internet; (2) through a dedicated fax line; and (3) through the telephone.

1. **Enhanced Internet services:** The Internet is the fastest and best way for claimants to seek answers to questions and file a claim. In an effort to make the Internet more user-friendly and attractive, we are in the process of a comprehensive overhaul of the UC website. We simplified the claims filing process, included more information regarding the status of a claim, and have added more online capabilities. We will continue to work on the website. The goal is to make filing online the fastest method for a claimant to receive benefits and the easiest means to find basic information. I encourage you to direct constituents to the UC website at www.uc.pa.gov. By encouraging claimants to use the Internet, we can ensure the telephone lines are open for claimants that truly need the assistance of UCSC staff.

2. **Dedicated fax line:** We are in the process of setting up a central fax line dedicated solely for UC claimants to submit questions about their UC claim. This will be separate and an addition to the UCSC fax lines that many of you currently utilize. Upon receiving the fax, UCSC staff will call the claimant to resolve his/her issue in a timely manner.
3. **Upgraded phone system:** We are installing a new UCSC phone system this month. Among the system's many features is the capability of automated routing which will provide faster distribution of inquiries resulting in quicker response time.

In addition to the efforts described above, over the past two weeks we have brought back to work over one hundred Intermittent Intake Interviewers (III's) to ease the call volume. While greatly constrained financially, the use of our additional III's will allow L&I to keep up with the important needs of claimants at this time.

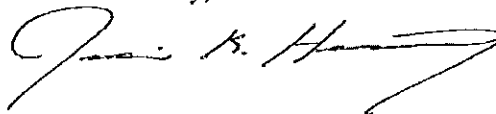
L&I's Office of Legislative Affairs will continue to assist you and your staff. This partnership has worked well because your staff has been judicious in its use by calling the liaisons only when your constituents have questions that cannot be easily answered by other methods. Again, we ask for your help in directing claimants to the Internet or fax options before calling the UCSC.

Also, please encourage your constituents to refer to the "UC Handbook" that is provided to each claimant. Our experience suggests that a significant portion of inquiries can be resolved by reference to the handbook, which is also on our website. We need your assistance in mitigating the effects of the reduced federal funding and ask that you direct your constituents to use these other options so that the phone lines are available for those citizens that truly need human involvement.


Lastly, in the coming weeks your office can expect another communication from L&I that will include a quick reference instruction sheet on the methods in which claimants can get answers to their questions. We will also include with the instruction sheet the number of the newly created claimant fax line.

We will continue to monitor the situation with the goal of providing a consistent level of quality service with the resources available. Thank you for your understanding and cooperation in this matter. If you should have any further questions or concerns, please feel free to contact L&I's Office of Legislative Affairs at (717) 787-5087.

Sincerely,



Julia K. Hearthway
Secretary



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF LABOR AND INDUSTRY
HARRISBURG, PENNSYLVANIA 17120

THE SECRETARY

December 17, 2012

Dear Legislator,

Many of you have expressed concern regarding the difficulties your constituents are having in contacting the unemployment compensation service centers (UCSCs). My letter to you dated October 22, 2012 provided some initial information and explanation. Since that time we have been working tirelessly to resolve various issues. This letter is to provide you with an update.

Governor Corbett understands the stressful situation a claimant faces when a job is lost. That is why he has directed the department to work continually to improve the way we administer UC programs to ensure efficient delivery of services. Claimants who are eligible for benefits deserve no less.

In working to rectify the problems claimants are encountering in accessing the UCSCs—problems that seemed to dramatically escalate in September—we noticed a surge of busy signals and abandoned calls that rose to extraordinary and unprecedented numbers compared to previous months. The numbers are startling:

- During the month of September 2011, less than one million (922,643) total toll-free calls were recorded as being placed to UCSCs across the state. However, one year later in September 2012, calls recorded as being placed to UCSCs approached eight million (7,835,486) in number. Call volume increased by 749 percent.
- In October 2011, a total of approximately 1.2 million toll-free phone calls were recorded as being placed to UCSCs statewide. But one year later in October 2012, over 11.6 million calls were recorded as being placed to UCSCs. Call volume between these months increased by over 842 percent.
- Similarly, in November 2011, a total of approximately 3 million toll-free phone calls were recorded as being placed to UCSCs in Pennsylvania. However, in November 2012 over 15.5 million calls were recorded as being placed to UCSCs. Based on our available data and knowledge, UCSCs call volume has never before reached this level.

Even more perplexing is the fact that this dramatic increase in toll-free call volume comes at a time when the workload for UC claims has been steadily decreasing. Since 2010, the workload, as measured by claims and continued claims, has significantly decreased, which is why Pennsylvania has received \$30 million less in federal funds for the administration of the UC programs for the upcoming fiscal year. Claim volume has decreased during the past year for a number of reasons, including reductions in the number of initial claims and the duration of

claims. Our data shows that from September 2010, to September 2012, there has been a 29 percent reduction in workload. From January 2011, to September 2012, there has been 46 percent reduction in workload.

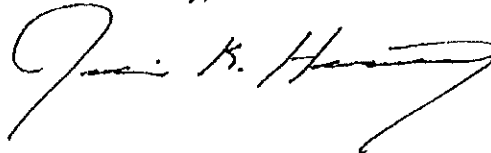
We are looking at all possibilities that may explain this dramatic increase in toll-free call volume during a period when actual claim volume has decreased. The department is committed to utilizing all appropriate and available resources to uncover the causes of this aberration.

Meanwhile, we also will continue our efforts to reach those who truly need our assistance. To overcome this immediate issue, we have instituted an additional communication option for claimants: a dedicated fax line. This method offers the quickest avenue for a citizen to receive assistance. Claimants who fax an inquiry to 717-525-5160 will secure a place in line and receive a call back from our service center in three days or less. Enclosed is a newly created instruction sheet for those needing assistance that you may find helpful; the instruction sheet sets forth specific directions for communicating by fax.

Until the call volume matter is resolved, we ask that you encourage the public not to utilize any system or technology that automatically places calls or redials any UCSC because of the danger that such activity will exacerbate the call volume problem.

The department understands that these matters are of great importance to many of your constituents. Though this is a fluid and evolving situation, we will seek to keep you well-informed as we find definite answers. If you have any further questions do not hesitate to contact me or Legislative Director David Greineder at 717-787-5087.

Sincerely,

A handwritten signature in black ink, appearing to read "Julia K. Hearthway". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Julia K. Hearthway
Secretary

UNEMPLOYMENT COMPENSATION HELPFUL TIPS

- **How to File Unemployment Compensation Application for Benefits** The fastest and easiest way to file an application for Unemployment Compensation benefits is through our website, www.uc.pa.gov. Applications can be filed directly online anytime day or night. If you provide an e-mail address, you will receive an email message confirming receipt of the application.

- **How to Get Answers to Questions** The Internet is the fastest and best way for claimants to seek answers to questions. You can find information on eligibility and appeals, check the status of your claim, view your payments, and change your personal information. Also, there is a Frequently Asked Questions page that covers a wide variety of topics. You can also file an initial claim, a biweekly claim and reopen a claim by using our simple and secure online process. Filing your claim online is the fastest method to receive benefits.

The UC Handbook you received when you filed your initial claim is also an excellent resource. The UC Handbook provides all of the information you need to navigate the UC claims process. Among other information, it thoroughly explains eligibility requirements for benefits, how and when to file biweekly claims, how UC benefits are paid, the work search requirements, your appeal rights and much more. The UC Handbook is also available online at www.uc.pa.gov.

- **Dedicated fax line** Another method available for you to obtain an answer to your question is to fax your question to the UC service centers at 717-525-5160. A UC service center representative will call you **within three business days** to resolve your issue. Please be sure to fill in **all** of the information on the attached fax cover sheet. In order to help you we **must** have the following minimum information: Full name, last four digits of your social security number, telephone number and the time that you will be available to receive our call. You must designate that you will be available at one of the following times: 8 a.m. – 10 a.m., 10 a.m. – 12 p.m. or 1 p.m. - 4 p.m. It is also helpful to have a brief description of the issue.

- **Call the UC Service Center** Please make every effort to obtain an answer to your question using the Internet, UC Handbook or fax so that the phone lines are available for those claimants who truly need human involvement to resolve their issue. If you require the assistance of a UC service center representative, call 888-313-7284. Some **tips to follow** when calling the UC service center:

- a. Best to call in the middle of the afternoon – not early in the morning or late in the day;
- b. Best to call later in the week (Wednesday through Friday);
- c. Best to use a landline rather than a cell phone if possible; and
- d. Do **not** use automated redial applications which decrease your chance of getting through the phone line to speak to a UC service center representative.

Send only one fax. If you call or send another fax after you have submitted an initial fax, this could take your question/issue out of the dedicated queue and could potentially delay payment. Please choose **one** method to contact the UC service center and you will receive a response within three days.



**UCSC FAX COVER SHEET
FAX TO: 717-525-5160**

FAX COVER SHEET to request a call from the UC Service Center

You will receive a response from a UC Service Center representative within three business days.
Do not fax more than this cover sheet and one additional page.

If you call, submit an email or send another fax within three days after you have submitted an initial fax, this could take your question/issue out of the dedicated fax queue and could potentially delay payment.

*** Indicates required field**

Problem with your debit card? The UC Service Center cannot help you. You must call the **debit card company** at **877-406-8257**.

* First name:	<input type="text"/>	* Last name:	<input type="text"/>
* Social Security Number:	<input type="text" value="X"/> <input type="text" value="X"/> <input type="text" value="X"/>	<input type="text" value="X"/> <input type="text" value="X"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
* Email Address:	<input type="text"/>		
* Telephone Number:	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
* Best time to reach you:	8 a.m. - 10 a.m. <input type="checkbox"/>	10 a.m. - 12 p.m. <input type="checkbox"/>	1 p.m. - 4 p.m. <input type="checkbox"/>

How can we help you? Select one or more below.

- I need to open a claim for unemployment but I cannot get through on the phone.
(Suggestion for faster service: file online at www.uc.pa.gov).
- I have a claim but have not been filing, so I need to reopen my claim.
(Suggestion for faster service: reopen your claim online at www.uc.pa.gov).
- I cannot file biweekly using PAT/Internet (claim is inactive or other issues).
- I filed biweekly and five business days have passed but I still have not been paid.
- I received a message (online/phone) that I should call the service center.
- I have overpayment questions.
- I have questions about appeals.
- Other

Provide a brief description of the issue:

*Auxiliary aids and services are available upon request to individuals with disabilities.
Equal Opportunity Employer/Program*



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF LABOR AND INDUSTRY
HARRISBURG, PENNSYLVANIA 17120

THE SECRETARY

January 24, 2013

Dear Legislator:

In December I informed you of the extraordinary surge in phone calls placed to the unemployment compensation service centers (UCSCs), which resulted in a corresponding surge in busy signals encountered by your constituents. The purpose of this letter is to provide you with an update on the efforts of the department, and the progress that has been made, toward a resolution of this problem.

As you might recall, in October 2012 over 11.6 million calls were placed to UCSCs; and in November 2012, there were over 15.5 million calls. This surge in call numbers occurred at a time when the level of claim submission actually was down. In response, the department has engaged in an intense and focused analysis of all potential causes for the multiplication of calls. Our investigation has identified two primary factors accounting for the dramatic increase in calls: (1) the use of automatic re-dialing technology; and (2) technical problems with the phone system.

The availability of digital programs or applications that can continuously re-dial a phone number is relatively new. The extraordinary volume of calls that these applications generate effectively chokes the phone system, preventing callers from connecting with UCSC representatives. Obviously, the department cannot prevent claimants from utilizing such programs, and the advent of this technology creates a new challenge for the department in managing its impact on the phone system. Through media outlets, the department has sought to educate claimants about the problem and discourage claimants from using such applications. Many legislators have helped to pass that message along to their constituents. Thank you.

Identified technical issues with the phone system have been corrected. When the new phone system was implemented in October 2012, a call routing function was improperly configured, resulting in an imbalance in the distribution of calls to UCSCs across the state. This routing problem made it more difficult for UCSCs to manage incoming calls. Moreover, the effect of the call distribution imbalance was compounded at the Erie UCSC, where for technical reasons phone queues were unable to fill to normal capacity. A significant portion of calls originating from southeast Pennsylvania were being serviced by the Erie UCSC and were adversely affected by this queuing problem. This call routing malfunction was resolved on January 8, 2013.

The department has also made operational adjustments within UC in an effort to meet the demands caused by extraordinarily high call volume. The newly dedicated fax line for claimant inquiries appears to be working well. Claimants are receiving a return call from a UCSC representative within three days of sending a fax. Because UCSC representatives have an

opportunity to review claimants' circumstances prior to placing the return call, this form of service is proving to have an efficiency advantage for claimants.

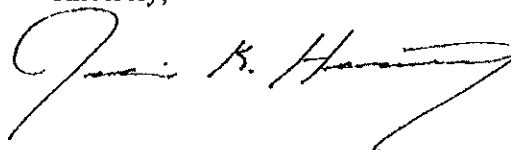
A comparison between November 2011 and November 2012 illustrates the challenge the call volume anomaly has presented to the department. While the claims workload in November 2012 was 16.3 percent *less* than in November 2011, the UCSCs faced a 422 percent *increase* in phone calls in November 2012. Call volume to UCSCs statewide dropped to under 6.8 million in December, but we are looking continuously for ways to improve service to claimants. We believe we are making positive strides in that direction.

January historically has been the busiest month of the year to UCSCs. Therefore, we ask that you continue to encourage your constituents to please (1) refrain from using any program that automatically redials a UCSC; (2) visit www.uc.pa.gov to quickly check the status of a claim or get answers to questions; (3) if possible, place calls to UCSCs later in the day and later in the week, when call volumes are lower; and (4) if possible, fax UC inquiries to (717) 525-5160—a UCSC representative will return the call within three days. While the PA CareerLinks[®] UC phone lines continue to be available to claimants, we recommend sending a fax rather than standing in line at a PA CareerLink[®].

With your continued assistance in educating claimants on the tips listed above, UCSC representatives will be more available to assist claimants and call volume will continue to decrease. The department understands the importance of providing quality service to your constituents. We will continue to analyze phone data and the efficiency of our processes. We will continue to look for opportunities for improvement.

If you have any questions, please do not hesitate to contact me or Legislative Director David Greineder at (717) 787-5087.

Sincerely,

A handwritten signature in black ink, appearing to read "Julia K. Hearthway". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Julia K. Hearthway
Secretary