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MEMORANDUM

To:	Joint Fiscal Committee
From:	Michael Harrington, Commissioner, Department of Labor
Date:	July 24, 2020
Subject:	Vermont Department of Labor CRF Request

Total Amount Requested: $18,750,000. The Department of Labor (VDOL) is requesting funding and/or reimbursement for the following programs:

1. **UI Modernization ($750,000):** VDOL is requesting funding to contract with a vendor to begin modernizing the Unemployment Insurance (UI) through the implantation of a mainframe software system (Mulesoft) and the digitization of records. MuleSoft will pull and push data to and from the system. OnBase software will enable VDOL to digitize large quantities of data and files for document retention. These efforts will result in efficiency, reliability, and movement toward a modernized UI system.

2. **UI Operations ($18,000,000):** VDOL is requesting funding for reimbursement of expenses incurred from contracting with Maximus to operate the UI call center and for additional funds to extend Maximus' contract through December 2020. Included in the costs already incurred are Green Mountain Power costs for operating the supplemental UI call center; the move of the UI mainframe to BlueHill, and other smaller contracted services.

Response to the Pandemic: Since the Governor's initial *Stay Home, Stay Safe* Executive Order in March 2020, there has been a sharp increase in both initial and continued unemployment insurance claims, putting additional pressure on an already outdated UI system. We continue to see over 39,000 Vermonters filing for benefits each week, an increase of over 35,000 weekly claims compared to this time one year ago. To date, the Department has processed roughly 116,000 initial

claims. The call center support is essential for VDOL to continue to manage the substantially increased volume of claims.

Urgency of Request: Specific to the UI Modernization effort, the timeline is tight and the funding request reflects a realistic proposal of modernization aspects that could be achieved by the end of the calendar year if efforts commenced immediately. It is also important to begin modernizing the system now to increase efficiency. The current Mainframe is extremely unstable, and while full modernization is not an option at this time, these efforts will assist in automating processes and bringing stability to the very old, taxed system. Call center support also continues to be critical as VDOL will continue to process a record number of weekly claims for the foreseeable future in multiple programs (UI, PUA, PEUC, etc.).