Fostering a national ecosystem for digital service delivery through federal grants

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How might the federal government help states deliver unemployment assistance to people faster as the program and the nature of work changes?
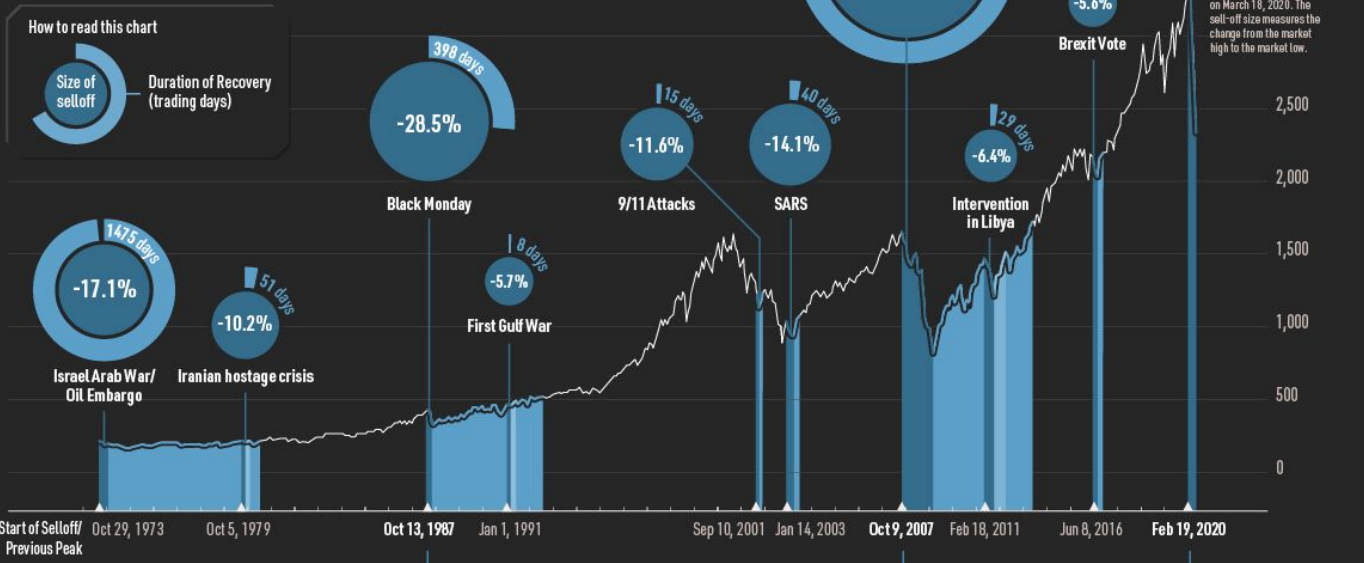
How might the federal government **incentivize** states to deliver unemployment assistance to people faster as the program and the nature of work changes?

COVID-19 is the latest shock to modern social systems. It is also an unprecedented learning opportunity.

Rare, unexpected events—known as Black Swans—can have severe consequences in the stock market. Below, we compare the COVID-19 reaction with other historical events, charting their downturn and length of recovery.

S&P 500 Performance (October 1, 1973 to March 18, 2020)
SOURCE: HAVER, DEUTSCHE BANK VIA ZEROHEDGE (SEP 2017), YAHOO FINANCE (MAR 2020)

How to read this chart

Size of selloff — Duration of Recovery (trading days)

*Figure as of market close on March 18, 2020. The sell-off size measures the change from the market high to the market low.

1022 days — Global Financial Crisis **-56.8%**

COVID-19* **-29.5%**

9 days — **-5.6%** Brexit Vote

398 days — **-28.5%** Black Monday

15 days — **-11.6%** 9/11 Attacks

40 days — **-14.1%** SARS

29 days — **-6.4%** Intervention in Libya

1475 days — **-17.1%** Israel Arab War/ Oil Embargo

51 days — **-10.2%** Iranian hostage crisis

8 days — **-5.7%** First Gulf War

2,500
2,000
1,500
1,000
500
0

Start of Selloff/ Previous Peak | Oct 29, 1973 | Oct 5, 1979 | Oct 13, 1987 | Jan 1, 1991 | Sep 10, 2001 | Jan 14, 2003 | Oct 9, 2007 | Feb 18, 2011 | Jun 8, 2016 | Feb 19, 2020
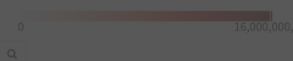
source: visualcapitalist.com

Recommendation 1: Assess the performance of current models in delivering PUA benefits

- The **General Services Administration** should work with the **Department of Labor** to assemble a cross-functional team to assess the performance of state service teams in delivering pandemic assistance services, with particular focus on the Pandemic Unemployment Assistance Program (PUA).
  - In PUA, gig workers and independent contractors represent a **brand new user group**

- Utilize key performance indicators that **balances user experience and operational metrics**

- Identify **common attributes of successful state models**

How might we assess the performance of state-delivered services?

30-40% of federal stimulus paid by late April

Only half of states offering PUA benefits by late April

Implemented Pandemic Unemployment Assistance program

PUA benefits not available yet

California has had pa... ...of April 17, about **35%** of payments had been distributed in California, based on t... ...eligible. The payout amounts to about **$1,7...** per recipient so far.

"The entire process was very frustrating -- from the lack of any documentation or ability to ask questions, to outdated, irrelevant job titles, to no explanation of why I finally got the amount I got."

- Grace P, California small business owner and PUA recipient

source: IRS & Census via abc7.com

source: Dept of Labor & NELP via cnbc.com

What are the common attributes of successful service-delivery models?

Digital Service Plays

1. Understand what people need

2. Address the whole experience, from start to finish

3. Make it simple and intuitive

4. Build the service using agile and iterative practices

5. Structure budgets and contracts to support delivery

6. Assign one leader and hold that person accountable

7. Bring in experienced teams

8. Choose a modern technology stack

9. Deploy in a flexible hosting environment

10. Automate testing and deployments

11. Manage security and privacy through reusable processes

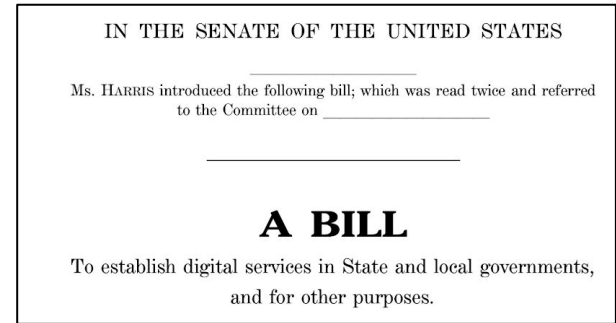12. Use data to drive decisions

13. Default to open

In detail

- United States Digital Service (USDS)

What are the common attributes of successful service-delivery models?

State	Program	Digital Service Capability?	Leveraged Shared Services?	Iterative Procurement Model?
California	Pandemic UI Strike Team	Office of Digital Innovation	Assessment conducted by former USDS leaders	Recommended
Colorado	Child Welfare Program	CO Digital Service	Utilized open-source code between state and counties	Emerging
New Jersey	Pandemic UI	NJ Office of Innovation	Worked with U.S. Digital Response on user interface	Emerging
Vermont	Medicaid	Agency of Digital Services	Worked with 18F on Medicaid expansion	Yes
Utah	UI Employers (2017) UI Image Upload (2019) Medicaid (2021)	Digital Government	State Information Data Exchange System (operated by NASWA)	Yes

*PUA benefits program implemented by late April

Recommendation 2: Establish a grant program to build a national ecosystem for digital service delivery

- Congress should fund Government Services Administration to administer the program to be executed by **18F** in collaboration with the **United States Digital Service**.

IN THE SENATE OF THE UNITED STATES

_____

Ms. Harris introduced the following bill; which was read twice and referred to the Committee on _____

_____

A BILL

To establish digital services in State and local governments, and for other purposes.

- The grant program should:
  - **Utilize eligibility requirements** to incentivize investment in digital service capability (i.e. a cross-functional team w/ appropriate integration within state govt)
  - **Leverage an incremental funding model** to incentivize incremental procurement practices with appropriate metrics (i.e. user-centered metrics and demos)
  - **Target focused initiatives** based on congressional priorities with program managers distributed between 18F and USDS
  - **Provide** best practices and centralized tools (e.g. code)

What would success look like?

- **Capacity-building investments** by state and federal agencies

- **Aggregate improvement** in identified service-delivery metrics across targeted programs

- **Reduced** cost to deliver key services aggregated over state and federal expenditures

- **Enhanced speed and resilience** during next crisis