



National Unemployment Crisis Playbook

Mark Conlin
Bob Mallon
Mechie Nkengla
David Weekly
Sharon Zezima



Tech Executive
Leadership Initiative

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ABOUT THE TECH EXECUTIVE LEADERSHIP INITIATIVE

The Tech Executive Leadership Initiative (TELI) is a skills-building initiative to prepare experienced technology leaders to engage effectively with public sector challenges.

Table of Contents

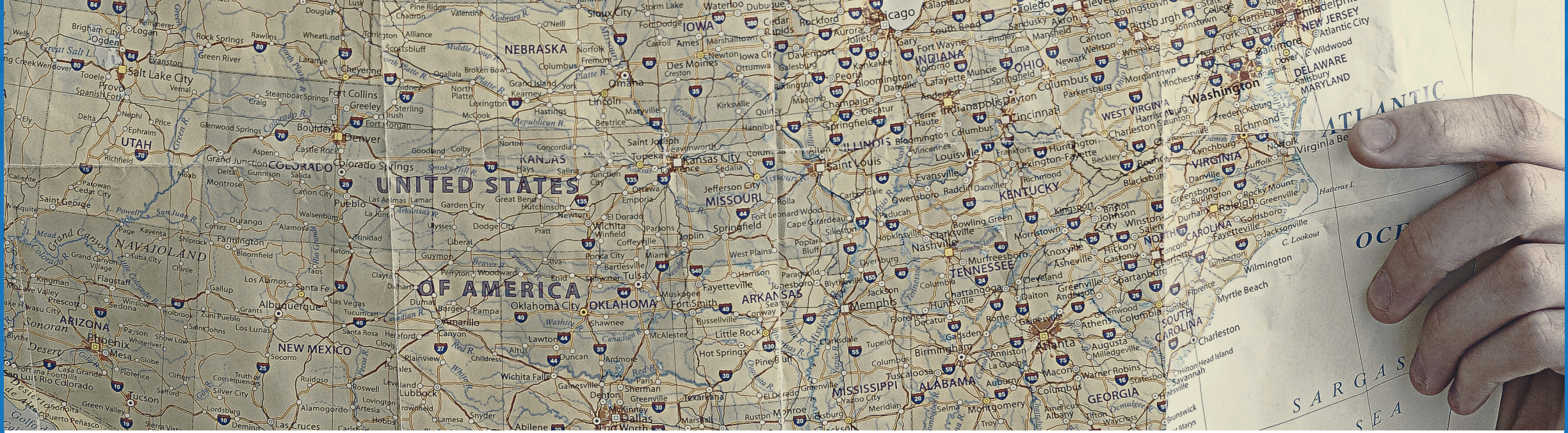
Background and Introduction	7
Executive Summary	7
Background	8
What is a “Playbook”?.....	9
Defining a “National Unemployment Crisis”	10
The National Unemployment Crisis Playbook Process	10
I. Chapter 1: Prepare	12
II. Chapter 2: Declare	14
III. Chapter 3: Engage	16
IV. Chapter 4: Reflect	20



Executive Summary

The COVID-19 pandemic has demonstrated that America needs a “playbook” — a prepared plan of action — for managing unemployment crises. During the pandemic, communication gaps between the federal government and state agencies delayed the deployment of unemployment assistance checks. Furthermore, the federal government did not incorporate state input into unemployment legislation and guidance.

This is the first draft of a playbook that can be used by the federal government and state agencies in responding to unemployment crises. It was assembled based on research and interviews with stakeholders from several state unemployment agencies, the National Association for State Workforce Agencies, the federal government, and technology and policy professionals with extensive government experience. Utilizing such a playbook will allow governments to respond more adeptly to unemployment crises in the future. This playbook in its current form is incomplete and is intended to be a living document that is continuously fixed, improved, and edited, particularly following a crisis.



Background

In the past 15 years, two major economic crises resulted in high levels of unemployment in the United States. The 2008 financial crisis caused several years of high unemployment before the economy eventually recovered. In 2020, the global COVID-19 pandemic resulted in a rapid set of layoffs in March, creating a massive spike in unemployment. In both instances, the federal government passed emergency legislation to assist unemployed individuals.

The [CARES Act of 2020](#), along with the subsequent Lost Wages Allowance executive order signed by President Trump, provided new temporary payments to unemployed individuals, covered new categories of workers, and extended the amount of time for which individuals could receive unemployment benefits. However, federal lawmakers passed this legislation without considering the implementation challenges of making the payments at the state level, resulting in extensive backlogs of claims and long wait times by individuals who desperately needed financial assistance.

During the pandemic, the National Association of State Workforce Agencies ([NASWA](#)) served as an intermediary between state unemployment insurance (UI) agencies, federal stakeholders in Congress, and the Department of Labor (DOL). NASWA has a variety of processes in place to funnel information and communications to the right people. Those processes work well in normal times, but perform poorly during a crisis, as many lawmakers are not willing to incorporate such input, and the pace of legislation is too slow.

What is a “Playbook”?

Numerous government entities and private companies use “playbooks” to help ensure a prompt and coordinated response to emergencies. A playbook details what steps should be taken in advance of, during, and following a major event or undertaking. Using information gleaned from previous efforts, a playbook provides a roadmap for responding to a crisis with a baseline of information and procedures.

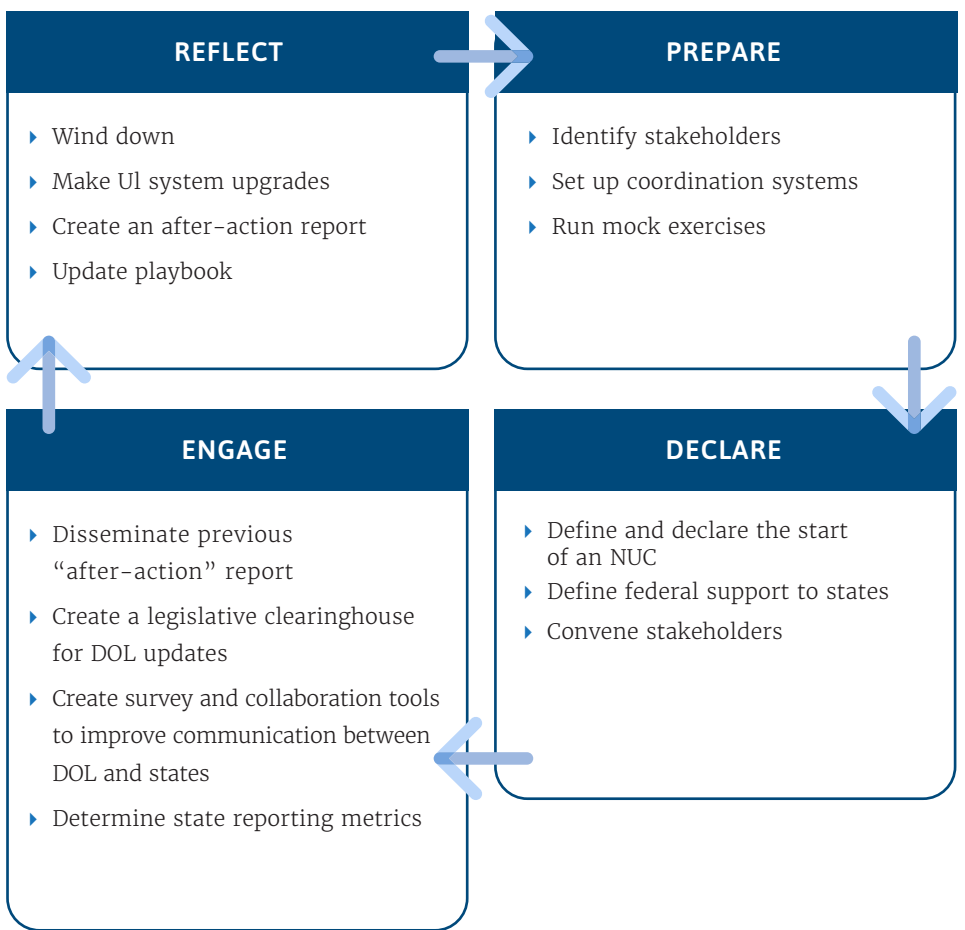
The economic events of 2008 and 2020 exposed that the federal government has no clear “playbook” to refer to when managing an unemployment crisis. As a result, there were gaps in communication between the federal government and state unemployment agencies, and a lack of responsiveness to state agencies’ input. This resulted in federal legislative mandates that had no viable way of becoming reality at the state level.



Defining a “National Unemployment Crisis”

In this playbook, we define a *national unemployment crisis* (NUC) as an incident that requires swift action by the federal government in order to address extraordinary unemployment. This playbook defines a procedure to follow for responding to such crises in the future; a critical part of this lies in incorporating lessons learned from each past crisis. Not coincidentally, the last step calls for updating the playbook based upon new learnings. This will help ensure alignment between federal government and state agencies and enable government stakeholders to respond more adeptly to each crisis as it happens.

The National Unemployment Crisis Playbook Process



Chapter 1: Prepare

Planning for the Next Crisis

Assuming a national unemployment crisis is coming, what should be done now?

Problems these preparation steps help solve:

- ▶ States cannot test their readiness for a crisis until it is happening.
- ▶ Each unemployment crisis has unique attributes. Even so, commonalities exist that make mock exercises or scenarios feasible. These include:
 - ▶ A surge of unemployed individuals and claims;
 - ▶ New and emerging categories of covered workers;
 - ▶ Supplementary payments from the federal government;
 - ▶ Limited duration for supplementary payments; and
 - ▶ Eventual wind-down of claims to “normal” levels.

A. Establish key points of contact:

A formal leadership team for deploying a task force should be identified. This leadership team should then determine the positions (and not specific individuals) who will act as main participants and points-of-contact during an NUC at the state and federal levels.

B. Select & establish NUC coordination systems:

The leadership team should select the “coordination systems,” the primary tools that will be used to collaborate, share information, and ask questions during an NUC. See Chapter 3, “Engage,” for more details about coordination systems.

C. Onboard stakeholders into NUC systems:

The leadership team should onboard stakeholders to the coordination systems by creating logins and user authorizations and by writing training manuals. These steps should take place before the next NUC crisis begins.

D. Create and run mock exercises:

The leadership team should run mock exercises with representatives from the federal government and states. These scenarios could either be run by a federal agency such as the Department of Labor, or an industry association such as NASWA.

Participants in the exercises should include leaders from state and territory agencies that manage unemployment insurance; administrators from federal agencies, NASWA, and other relevant industry associations; and lawmakers. Such an exercise could play out over several days or a week, ideally in a shared location, but with contingencies for teams that could only participate remotely. Each day of the exercise might simulate a portion of the NUC timeline, including an initial economic crisis that leads to rising unemployment; passage of legislation to address the crisis; issuance of guidance to states based on legislative interpretation; and the processing of claims based on guidance, rules and regulation.

The scenario itself should include elements of past emergencies and new, conceivable legislative possibilities. Some of the alternative legislative proposals that have been floated in the past could be mined for such content. Example legislative possibilities to include are:

- ▶ Increased unemployment insurance funding per week
- ▶ New categories covered under the definition of “unemployed worker”
- ▶ Goals for reducing underpayment

Participating states should use the exercise to document where they have difficulty complying with the new mandates, and ask questions they would have were the scenario to become reality. The exercise can also help states understand which of their staff members would need to be mobilized to manage a real crisis.

Feedback from these exercises can be used to inform and update the NUC Playbook. Finally, the cooperation of the states and agencies that participate will lay valuable groundwork for future cooperation in real crises. This might be especially beneficial if a large amount of time passes between unemployment crises.



Chapter 2: Declare

Understand when an NUC commences

Determine what circumstances lead to an NUC and what immediate steps should be taken in response

Problems these declaration steps help solve:

- ▶ During an NUC, states may be overwhelmed with a sudden increase in unemployment cases.
- ▶ States may face immediate shortages of qualified workers.
- ▶ A lack of coordination between states, the federal government, and NGOs may result in inconsistent alignment of efforts between entities.

A. Define the circumstances and methods for how an NUC will be officially declared:

The leadership team should identify parameters to determine when an NUC should be declared, such as the unemployment rate, growth rate of claims, or other economic metrics. The unemployment rate specifically can be a lagging indicator in a fast-moving crisis, so other indicators may be needed to measure unemployment. If any government leader has the authority to declare an NUC, guidelines will need to be developed to avoid politicization of such an event.

B. Define federal support to states:

The leadership team should define what special support (funding, staffing, metrics, and waivers) will be provided by the federal government to states when an NUC is triggered. This support should be provided before any legislation is passed, as state agencies will already be handling a significant caseload due to changes in economic circumstances. It is also important to consider how the level of support may change if legislation is passed.

Specific proposals to support state agencies might include:

- ▶ Funding for additional employees to process and adjudicate unemployment claims;
- ▶ Funding for additional customer service positions to answer questions from unemployed individuals;
- ▶ Funding for emergency software system modifications;
- ▶ Making available cloud infrastructure to support the increased load on unemployment agencies' systems;
- ▶ Adding communication and coordination resources at the Department of Labor; and
- ▶ Temporarily waiving certain arduous reporting requirements to the federal government.

C. Convene NUC stakeholders virtually:

The leadership team should outline how NUC stakeholders will be assembled, and what the primary methods of communication will be between states and federal agencies. Methods of communication could include:

- ▶ Daily town hall meetings, by phone or video conference;
- ▶ Coordination systems mentioned in Chapters 1 and 3; and
- ▶ Legacy methods, such as emails and memos.

D. Validate NUC roles:

Using the stakeholder process outlined in Chapter 1, the leadership team should identify current NUC participants based on their roles at the time of the crisis. Back-ups should be identified for any positions that have shifted or been eliminated. An overall leader should be designated to guide the NUC process, whether from a federal agency, state agency, or outside facilitating agency like NASWA.

E. Define when an NUC is officially over:

The leadership team should create a specific definition for when an NUC will be understood to be over, and clarify to what extent NUC-specific processes, tools, and metrics will continue to be in place following the end of the crisis.

Chapter 3: Engage

Effectively communicate during NUC legislation, rulemaking, and implementation

Optimize state and federal interactions to minimize confusion and ensure any legislative guidance is communicated timely and effectively

Problems these engagement steps help solve:

- ▶ During an NUC, federal legislation may include requirements that are difficult or impossible for states to implement, and offer limited flexibility for achieving certain goals.
- ▶ Legislation may not take into account how delivery of unemployment insurance (UI) is different across states.
- ▶ While the Department of Labor (DOL) is closely involved in the legislative process during NUCs, it may not communicate legislative updates to states in a timely manner. This may lead to delays or errors in UI payments at the state level.
- ▶ The process for states to provide feedback to the DOL on proposed legislation is slow and arduous. Feedback is currently solicited via email, and states are given a short period of time to provide input.
- ▶ While NASWA has become the de facto communication channel between states and the federal government, states could use additional mechanisms for real-time engagement. Current feedback mechanisms do not allow states to provide continuous feedback to the federal government during an unemployment crisis.
- ▶ The Department of Labor lacks processes for communicating legislative updates to states in a timely manner. For example, Unemployment Insurance Program Letters sent by the Department of Labor to communicate legislative updates are often spaced out over weeks or months. This may cause delays or errors in state UI payments.
- ▶ The metrics that states are required to deliver to the federal government are onerous, and are often not relevant during an NUC. In addition, there is currently no way for states to share metrics with one another for comparison.

A. Disseminate an after-action report from the last NUC:

Before legislation is written for a current NUC, lawmakers, federal regulators, and state administrators should incorporate suggestions from the prior NUC’s “after-action report.” In government, an “after-action report” is an analysis of a past event that is created to document mistakes and improve decisionmaking for future crises. These reports will allow states to provide valuable input on what should or should not be included in new UI legislation that is being considered.

For example, an after-action report from the 2020 COVID-19 unemployment crisis might document issues that government agencies faced, including:

- ▶ **Timing:** Unemployment payments were promised the day after the CARES Act was passed, which did not provide enough time for state agencies to modify existing unemployment insurance systems and processes.
- ▶ **Flexibility:** The 2020 CARES Act included very specific guidelines on delivering UI assistance. However, since UI delivery is different on a state-by-state basis, some states faced major implementation hurdles as they overhauled existing systems and processes.
- ▶ **New UI categories:** A lack of specificity in the Pandemic Unemployment Assistance (PUA) program caused mass confusion about who should be paid UI and what proof they needed to present to be eligible.
- ▶ **Funding mechanisms:** Some states had to enable new banking mechanisms to receive federal government payments during the COVID-19 crisis, which created substantial delays.
- ▶ **Administrative assistance:** States did not have enough administrative support to handle the increase in claims and customer support services needed. In the future, the federal government should consider providing support specifically to bolster state administrative capabilities.

B. Create a legislative clearinghouse to provide updates on unemployment information:

In order to provide accurate, real-time information, the U.S. Department of Labor should maintain a website that contains the most up-to-date unemployment legislation being considered during an NUC. The content should be updated daily, or more frequently during periods when it is rapidly changing. If multiple legislative proposals are being considered (e.g., by differing parties, or by the House and Senate), all should be included, along with an assessment of each proposal’s likelihood of passage. This website need not be made available to the public, but access should be granted to appropriate personnel in state unemployment agencies, as well as to NASWA.

C. Create a survey tool that easily allows for real-time feedback from states:

The leadership team should encourage the creation of a survey tool that can provide feedback from the states to legislators and the Department of Labor on proposed legislation, rules, regulations, and guidance. This survey tool would replace the use of emails for feedback. The Department of Labor can utilize most off-the-shelf surveying tools for this purpose.

Using structured survey tools instead of email correspondence to collect feedback allows for:

- ▶ A more standardized set of questions and responses;
- ▶ More efficient sharing of survey results with respondents and non-respondents;
- ▶ The ability to re-use content over time; and
- ▶ Reminders to be sent to respondents about deadlines for response.

The survey tool and associated processes should take into consideration state agencies' reluctance to provide input or ask questions that may put them and their existing procedures at risk. It is also worth noting that states have their own processes for adopting new technology, and centralized tools may need to be approved by individual states.

D. Create a collaboration tool for providing real-time guidance to states:

Working in concert with state unemployment agencies and NASWA, the federal government should institute a collaboration and communication tool that can be used to provide real-time updates on changes to legislation, as well as related guidance.

Such a tool, whether purchased or built from scratch, would act as an information source during an NUC and enable improved collaboration between the federal government and states. For example, such a tool could allow:

- ▶ States to ask clarifying questions related to legislation and guidance;
- ▶ States to view answers to questions that other states have submitted;
- ▶ States to ask questions unique to their UI implementation;
- ▶ Follow-up conversations on subjects relevant to each state; and
- ▶ Federal government agencies to publish guidance or updates on rules and regulations.

Today, following the passage of legislation, the Department of Labor issues Unemployment Insurance Program Letters that answer questions received from state governments. While this approach eventually provides clarity, the waiting times are long and can create several inefficiencies, such as states waiting to make payments until the federal government clarifies a question, or states making payments based on incorrect assumptions that later need to be corrected. Despite these drawbacks, we still recommend the use of public program letters and press releases to ensure that the public, lawmakers, and other constituents can view all guidance.

An example of a collaboration tool is Stack Overflow, a platform commonly used by software developers and other technical professionals to ask questions and share information. Users can post questions on technical topics, view answers, see frequently answered questions, and search by subject via "tags," with links provided to related content. Other users can also weigh in on questions.

Any software solution of this type would need to be secured so that only designated government administrators would have access. The tool should also be moderated so that questions are solely focused on relevant unemployment insurance questions. Additionally, the software should be backed up and archived to service potential future Freedom of Information Act (FOIA) requests.

E. Determine specific metrics that states need to provide to the federal government during an NUC, and make metrics available to all states for comparison:

The standard metrics that states provide to the federal government may not make sense during an NUC. New, unique metrics should be established that are more specific to the current NUC and are less onerous than what is normally required. These new metrics will be useful for determining whether the objectives of emergency legislation are being met, and will allow the federal government to compare performance across states.

In addition, a dashboard should be created that showcases important unemployment metrics for the current NUC. These metrics will highlight how states are performing in managing the crisis, enabling states to share best practices. Through this dashboard, struggling states can be readily identified so that the federal government can provide additional assistance.

Chapter 4: Reflect

Plan for the Future

Determine key learnings from an NUC and update the playbook for future NUCs

Problems these reflection steps help solve:

- ▶ By the time the next NUC commences, most of the individuals involved in the previous NUC will likely have moved on to different roles. This makes it difficult to ensure that key information and lessons learned will be documented for future staff.
- ▶ Legislators may not have input on what worked or caused problems during the previous NUC.

A. Identify criteria for “wind-down” periods:

In the initial NUC legislation, the federal government should delineate specific criteria for “wind-down” periods, during which federal assistance to states is reduced. Wind-down periods should be tied to economic metrics, rather than to an arbitrary date. For example, during the 2020 unemployment crisis, it was assumed that legislation would be passed to extend enhanced unemployment benefits provided by the CARES Act beyond the end of July 2020 (for an extra \$600 payment per week) or by the end of December 2020 (for Pandemic Unemployment Assistance). Because this extension required further legislation, the benefits terminated immediately, without a wind-down period, once the original time frames expired.

B. Ensure that states upgrade their UI systems based on lessons learned from the prior NUC:

During the course of an NUC, states should better understand how their core UI applications need to be upgraded. Federal agencies such as the United States Digital Service or General Service Administration’s Technology Transformation Services should be engaged and allowed to work on states’ modernization efforts. Service design principles should be applied in lieu of large-scale, one-off replacement projects.

C. State and federal administrators should be convened after the conclusion of an NUC to discuss challenges and lessons learned:

Leaders should hold a post-mortem event to discuss and review the experience of state and federal UI administrators during the NUC. This should occur once an NUC is over, but while relevant stakeholders are still available to participate in a retrospective analysis. Such an event could follow the model used in the software development space, where developers focus on what went well, what could have gone better, and what steps and recommendations should be considered for the next unemployment crisis.

A variety of tools could be used to support this retrospective. Leaders can collect feedback from key stakeholders through surveys, story harvesting, documentation of best practices, and other methods.

A core group should plan the retrospective. This entails inviting the appropriate constituents, running the event, and compiling the output. It may be beneficial to have an objective, third-party facilitator manage the retrospective process. There likely will be many aspects to the crisis that warrant individual attention, such as process, technology, communication, and policy.

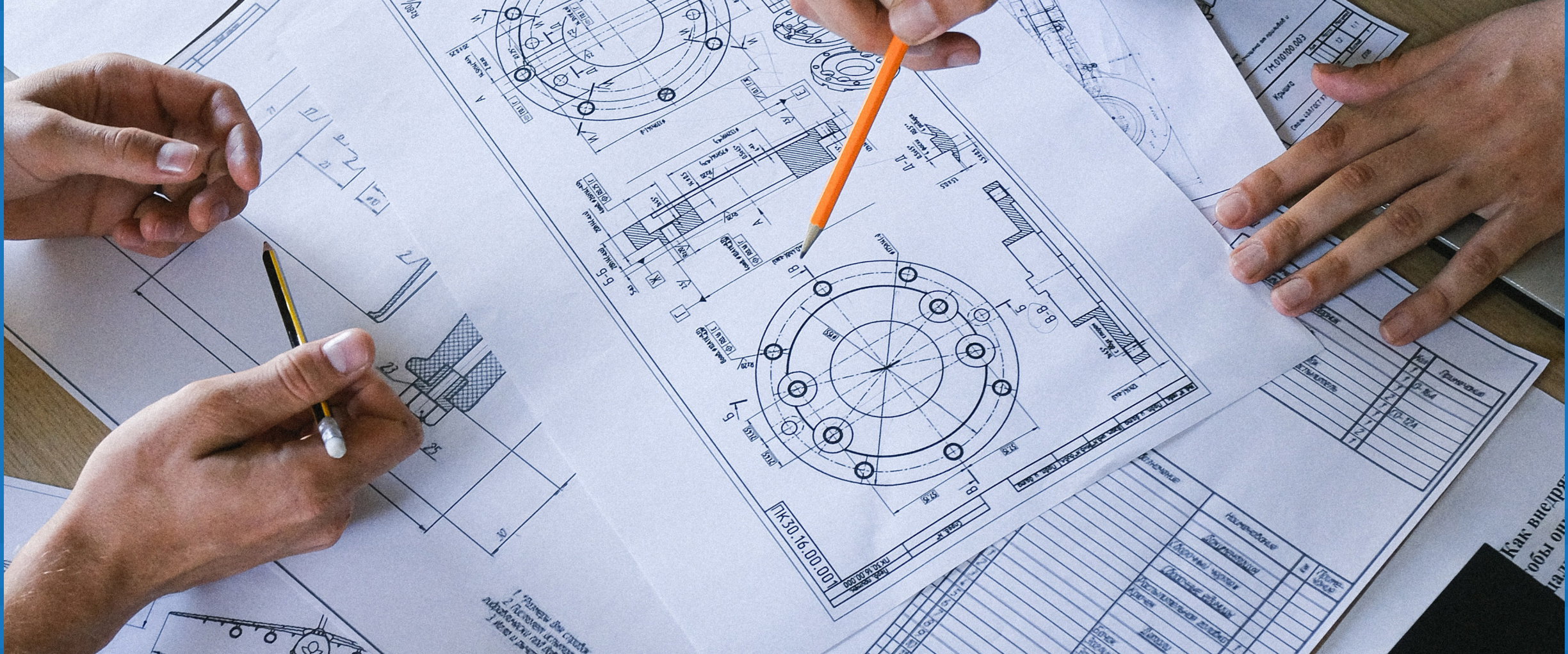
The team’s final output following the retrospective should be an after-action report (see Chapter 2). This after-action report can be used immediately for improvements by states, and should be stored for dissemination during the early days of the next NUC.

D. States should agree upon and identify manageable priorities for the next NUC:

States will likely agree on a number of legislative priorities from the previous NUC that could be easily implementable in a future NUC because of updates made to UI systems or processes. These legislative priorities could include:

- ▶ Increased UI funding per week;
- ▶ The inclusion of contract workers in UI legislation; and
- ▶ Goals for reducing underpayment.

These legislative priorities should be captured in the after-action report from the NUC retrospective and included in the mock exercise from Chapter 1 of this playbook.



E. The leadership team should disseminate the after-action report to the relevant parties:

Leaders need to make the after-action report easily available to all relevant stakeholders, including relevant federal, state, NGO, and academic leaders. The after-action report should be preserved to ensure that findings can be used in future NUCs. In addition, the data and metrics from the NUC should also be preserved.

F. The leadership team should create a scorecard to estimate the effectiveness of the playbook and effort:

To ensure that the playbook remains useful, leaders should create a scorecard to measure its effectiveness. If the playbook is found to be ineffective, proactive steps should be taken to improve its usefulness.

G. The playbook should be updated after every NUC to reflect new learnings:

Perhaps most importantly, the playbook should be updated after each NUC to document any lessons learned. The NUC leadership team should ensure that leaders are identified who will be responsible for updating and disseminating the playbook going forward.



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