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BROOKINGS CAFETERIA PODCAST

AFTER THE COVID-19 LOCKDOWNS, HOW TO FIX BENEFIT DELIVERY TECH
FOR WORKERS

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DEWS: Welcome to the Brookings Cafeteria, the podcast about ideas and the experts who have them. I'm Fred Dews.

The COVID-19 lockdowns in 2020 caused a tidal wave of displaced workers who applied for unemployment insurance, or UI. But states, hampered by limited staff and outdated systems, struggled to get relief to these workers quickly and to implement expanded UI programs under the CARES Act. On this episode, I speak with Annelies Goger, the co-author of a new report that focuses on a holistic redesign of the labor and education digital ecosystems to improve user experience and equity in access. Goger, a David M. Rubenstein Fellow in the Metropolitan Policy Program, is co-author with Janie McDermott of "Digital transformation in labor and education systems: Improving the government response to the next unemployment crisis."

Also on this episode, Senior Fellow Sarah Binder asks and answers four questions about the politics of the House Select Committee's investigation into the attacks on the U.S. Capitol on January 6.

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First up, here's Sarah Binder with What's Happening in Congress.

BINDER: I'm Sarah Binder, a senior fellow in Governance Studies at the Brookings Institution.

The House Select Committee investigation of the January 6th attack on the Capitol has begun. Here are four questions—and some answers—about the politics of the inquiry.

First: How did we get here? Senate Republicans successfully filibustered an external, bipartisan commission last month. So, House Democrats created a Select Committee—a temporary 13-member panel to which Speaker Pelosi would appoint eight members and minority leader Kevin McCarthy would suggest five. Last week, the minority leader announced his five picks for the

panel, including Representatives Jim Banks of Indiana and Jim Jordan of Ohio—widely known for both supporting the "big lie" that Donald Trump won the 2020 election and for defending the rioters. Pelosi shocked much of D.C. by using her power under House rules to reject those two from the panel because they spread disinformation about the riot itself. In turn, McCarthy pulled all five of his picks off the panel. But the speaker has now appointed seven Democrats and two Republicans, so a bipartisan inquiry has begun.

Second: Isn't this just partisan hardball like usual? I don't think so. In both the House and Senate, leaders and lawmakers typically refrain from fully exploiting all of their formal parliamentary rights. When politicians take extra advantage of the rules, we often call it Constitutional hardball," or what legal scholars call "playing for keeps in a special kind of way." Both parties play hardball, even knowing the other party will benefit when the tables turn.

But there's a difference, one legal scholar points out, between hardball—sliding hard to reach the base—and beanball (trying to hit the batter in the head). In this case, both conservatives and liberals have suggested that Republicans McCarthy, Banks, and Jordan were playing beanball, not hardball: They aimed to attack any reckoning with Trump's role (and possibly their own) in encouraging the Capitol attack. McCarthy can now complain about the partisan slant of the select committee—after he threw pitches intended to knock out his own party's members. That is beanball.

Third: Why did the select committee hold a hearing—even before starting its investigation? This hearing was all about countering the Republican narrative and setting the stage for the committee's work. Four police officers who fought at the Capitol on January 6th gave the committee—and the public—raw, searing testimony about the violence, about the weapons, injuries, racial slurs, and the targets of the attackers they called terrorists. Their testimony was a frontal assault on Republican efforts—from Trump, all the way down—to whitewash the attack as peaceful protest. Some Republican leaders even say Pelosi bears responsibility for the attacks. It's

one thing to watch videos on the news. It's harder to discount them when a row of decorated police tell the story from their own eyes.

The police also went a step further to explain why the attack differed from other protests. They noted the mob of Trump supporters sought to harm lawmakers, as well as to disrupt the Constitutional peaceful transfer of power. This wasn't just a protest gone off the rails, they said. And the police asked that lawmakers investigate who sent the rioters—framing the task for the committee.

Fourth: Why is the House, and not the Senate, taking the lead? In some ways, this just reflects the power of majority parties in the House. Senate rules require far more bipartisan cooperation. True, the Senate Rules Committee reported on security lapses earlier this year, but there's no Republican appetite for anything like the select committee. But also, the former president has a weaker toe hold in the Senate than in the House. On the evening of January 6th, only seven Republican senators (14% of Senate Republicans) voted to object to the counting of the Electoral College votes.

In the House, two-thirds of Republicans objected. And every time House Republicans this year have had the chance to support or oppose Trump on the House floor, a smaller and smaller number have challenged the former president. House Republicans have all but purged their ranks of anti-Trumpers. Making them eager to defend the president. Senate Republicans have not torn themselves apart on this question. They've preferred to sweep that challenge—at least for now—under the rug.

DEWS: You can find more editions of What's Happening in Congress from both Sarah Binder and Molly Reynolds on the Brookings SoundCloud channel, soundcloud.com/brookings-institution. And now, here's my interview with Annelies Goger on transforming labor and education digital systems.

Annelies, welcome back to the Brookings Cafeteria podcast.

GOGER: Thanks, it's great to be back on here.

DEWS: So, we're here to talk today about a new report that you've coauthored with Janie McDermott. And it has to do with the ecosystem of digital technologies around delivery of services like unemployment insurance, education benefits through states, federal government, that kind of thing. I wonder if we could start off with you just giving us a really high-level overview of what this report is.

GOGER: Sure. The main goal of this report is to really take what I think has become painfully obvious about the way in which Congress passed this quite generous package for unemployment insurance in the midst of the lockdown following the COVID-19 public health crisis. But the states really struggled to get that money out quickly and effectively to the right people in order to provide relief to those who lost their jobs because of the lockdown.

And the goal of this report is to take that opportunity where people are really made aware of the struggles that the states are having and use that as an opportunity to do a broader reset around how we think about data systems when it comes to our labor and education systems, not just for delivery of unemployment insurance benefits, but for all the other programs and services that are connected to that system that are also really suffering from a lot of the same problems.

So, I wanted to broaden the discussion beyond simply just unemployment insurance to really make people more aware that these are really systemic problems in the ecosystem and that we need to shift from periodic wholesale attempts to upgrade them, which have generally not worked out very well, to something where we have more internal capacity in the states to continuously improve them.

DEWS: And that's something I found really fascinating about this report, is it's not so much about the service that's being delivered itself. It's about the systems that are at play in trying to deliver services through technology mostly, to people throughout this country. And I think you use the number of 53 states and territories. So, I want to focus on the unemployment insurance issue and kind of set the context back in the onset of the pandemic in 2020, we had public health

lockdowns. We had a wave of workers applying for unemployment insurance. Can you talk about what happened next?

GOGER: Sure. And that is a great place to start. As you know, when the lockdowns started almost overnight, restaurants, bars, anything where people were directly interfacing with the public, most of those jobs, unless they were essential, just completely went away overnight. And so, it was no fault of their own. But then you had these unprecedented surges of people that would qualify for unemployment insurance. And on top of that, because actually a lot of those people wouldn't qualify for regular unemployment insurance—it's going to sound a little bit wonky, but if you don't earn a certain amount, if you're only working part time, for example, if you are a new entrant like you're just getting your first job and you have been working very long, there are various categories of people that wouldn't normally qualify for unemployment insurance. And so, Congress passed the CARES Act, which created three whole new programs to make sure that all of those people that were impacted could be caught in this safety net.

You have a great intention there. But the problem is that you're asking states that are already dealing with this massive wave of people hitting their system that isn't prepared to then create three new programs and administer those on top of that. And so, from a state administration point of view, that's just a tremendous, tremendous amount of effort. It's almost impossible to think about how you can make that kind of pivot so quickly. But that was what was asked of them.

And then from a user point of view, let's say you're a worker. Many of these workers, they were in restaurants and hospitality generally, or younger—you know historically our layoffs have been in manufacturing. They tend to be a little bit older. So, a lot of these workers have never applied for unemployment insurance before, so their awareness generally was lower. And on top of that, because those rules were changing and the way that states who qualify, how much they were able to access all those details were quite hard to find because they were changing almost every day. Just everything was changing as the CARES Act was being implemented, as the guidance was coming out.

And so, there's just a lot of confusion, both for people that lost their job, but also for the employers that were trying to figure out who's legally allowed to collect these benefits. There were new rules about related to COVID about who would qualify if they didn't have childcare and things like that.

So, it was just a big, chaotic wave of things that even if you had the best technology, the best processes, the best ways of detecting fraud and things like that, it would be hard. But we had systems at that time that had been basically eroded for about 30 to 40 years of cuts and lower staff. In fact, I think the unemployment staffing levels were around like historical lows at the time. And so, it was just really hard for states to get people trained up to get into the call centers. What happens generally in fraud is that it will check your identity and other things. And what we saw was also that they were there capturing people who should have been eligible under the fraud line, and that puts them in a long wait line to get through to be manually processed. And then a lot of organized fraud was getting past those systems, those fraud detection systems.

So, on multiple levels, it's just been really challenging for everyone involved.

DEWS: And I think it bears emphasizing that unemployment insurance is a federal law, and even before the three new programs that you mentioned that came into being a year ago, over a year ago in the CARES Act, the provisions of unemployment insurance itself is being administered by state, tribal, and local governments. Right?

GOGER: Yes, so it is technically a shared federal-state administrative setup. But the states have a lot of authority. So, compare this to say, the Affordable Care Act implementation, and Medicare, Medicaid, et cetera. There's a lot more federal standardization in that system relative to this one. So, in unemployment systems, it's very much a state administered. And so, what we've seen since the mid '90s is that states have up until then, they were a little bit more similar to each other. But since the '90s, the states have taken more and more of that authority. And as a result, we get these 53 different systems—because there's 50 states, Washington, D.C., the Virgin Islands, Puerto Rico—they have a lot of freedom just to change the amounts that are given to workers; what

the qualification formulas—they're not even the same structure from state to state, so they don't always use the same variables and the formula that they use; or the duration of benefits, like how long you can continue to collect.

And especially after the Great Recession, when there was a lot of unemployment then, the state trust funds went way down into the red. And so to get those trust funds replenished, a lot of states, instead of asking employers to pay more in unemployment insurance taxes, they often would cut back the eligibility or make it more challenging for people to get through in various little ways, whether that's through the qualifying formulas, the benefit amounts, the durations, et cetera.

And so, from that point on, things really diverge. And then you get this wide variation in who qualifies and how much they can get from state to state. And there's also a lot of racial disparities baked into that. So, if you look at the data, you'll see that in the states that have more Black workers also have the lowest recipiency rates. So that's very concerning as well.

DEWS: I want to quote from your report and ask you to react to it, because I think this quote encapsulates many of the kind of major philosophical issues with federal and state administration of a program. And so here I quote, "The federalist devolution of authority in unemployment insurance and other labor systems to states creates an unsustainable need for each state to build a wholesale custom system, rather than being able to achieve economies of scale and reduce costs by sharing system components or software services." So, it sounds like there are 53 completely separate systems. You mentioned that there were some similarities many years ago. It sounds like today there's just 53 separate and perhaps largely incompatible systems.

GOGER: Right, yeah. So, one of the main recommendations in my report is that we need a standard data dictionary across multiple programs and agencies in the federal government. Because, so, for example, if someone enters a name into, let's say, the Iowa system and they enter the same name into another system, the number of characters that are allowed, how you deal with special characters, like how you deal with multiple last names, there's no standardization in each of those fields and data elements.

More than that, if you look at different programs, you'll see that even though different programs are asked to coordinate and link data with each other, the way that you're determining how someone enrolls and at what step at what date in one program differs from how you define entry in another program. And you look at the different programs of how many people are enrolled and they'll be the same people, but different numbers. And so, it creates confusion and problems all the way through the entire system, because the way that the data are collected, the elements vary not just from state to state, but also from program to program and agency to agency.

So, my proposal is that we really need to focus on how can we create a standardized data dictionary for some of the most common elements. And that's like the basic foundational thing that you would need to be able to more effectively share and link data automatically, and that would take the person out of it. So that reduces some of the security risks. But also, it allows you to streamline things like data validation so that states are using the same quality checks. They don't have to do different quality checks for the same type of information over and over for different programs.

It also means that, for example, in the CARES Act, they couldn't say we want unemployment insurance to cover 80 percent of someone's previous wage because it was the average was down to 35 percent. But in lockdown, you want to cover more, especially considering why these workers are low wage. But they couldn't do that because some states don't collect the data, it's collected differently. And it would have taken them so long to figure that out. They said, okay, we have to just do six hundred dollars or four hundred dollars. So then that's where you get all that debate that ensued about is this too much, and which workers are getting paid more, and which are getting paid less. It really impedes our Congress's ability to sort of come up with a policy response in a crisis when these different data elements are all different.

And then finally, I think the other key piece here is that if we could automate and improve the data coming into the unemployment insurance system, which is what employers report, if it was more streamlined it would also make it easier on the employer, for example, to have multiple states

where they have employees. They report the same information at the same time the same way to all states. But then you can have a digital service like, let's say in the federal government, where they create an intake form and they can create that intake form to work in every state and territory. And so a state doesn't have to repeat the wheel fifty-three times and create a whole intake form that's compliant with federal standards. They can just have that one template that gets brought into their system. It's a much more efficient way to improve different elements of these systems, but it doesn't necessarily take away the full flexibility that states have to say customize. Let's say you have a high cost of living state and a low cost of living state. The way that you might want to do your qualifying formula could still have some adjustments to it. But you're collecting the same data elements at the core. That's one of the main recommendations in my report, because I think it's totally inefficient to fund the creation of 53 separate custom systems. It just to me, it doesn't make sense.

DEWS: I want to stick on that point that you just mentioned about the intake form, I think that's a fascinating idea to have kind of a standardized intake form, because that puts me in mind of user experience, which is a field I was involved in for a long time. I used to manage the Brookings website, so the concept of user experience was on my mind a lot. But you write in this report that some states intentionally build their systems to be hard for end users to access. And you add that that's because that helps those states replenish their unemployment insurance trust funds. Can you walk us through why states would make it hard for end users to access their systems?

GOGER: Right. So, as I said a little bit earlier, the Great Recession really depleted states' trust funds, which is where the money goes when an employer pays their unemployment insurance taxes. And so, they were so low and as a way to build those funding streams back, you can either get more money in or you can reduce the money going out. And in many states, it wasn't politically viable to ask employers at that stage to pay more in unemployment insurance taxes. And so, the only other thing you can do to replenish that fund is to reduce the amount going out.

So, a good example of this is Florida, where the governor actually admitted that the previous administration, when they were contracting with Deloitte to build the Florida unemployment system, he admitted that it was intentionally designed to basically create a lot of barriers to getting through that process, through the technical system that they set up. And it was because they wanted to lower the amount of money that was going out to the recipients.

Unfortunately, if you think that through, who are they limiting access to? Most likely there's a lot of disproportionate impact for people that don't have a lot of computer skills. So, likely lower educated people, people who speak other languages, who are not native English speakers, people who don't have internet in their house or a device that they can easily connect to that system from.

And so, it has racial equity and other equity implications if states do that. And I think that's something where we should really be thinking in the wake of this crisis about we probably need a lot more federal role in making sure that people have some equal access to those benefits that they're actually entitled to by law, because they're working and they lose their job for no fault of their own. And when we're giving preference to some people that have more privilege and more IT skills than others, to me that's very concerning. And to me, it says to me that we really need to think about the role of the federal government in protecting people, in making sure that those programs are more equal.

DEWS: There are 53 different unemployment insurance administration systems for states in the territories. So, what if somehow the federal government could just create a single system that everyone could use or even federalize unemployment insurance administration? Is that a possibility?

GOGER: A lot of experts, especially on the policy side, have proposed that actually, and I don't think that it's necessarily a horrible idea. But I have a lot of concerns about approaching this problem with that type of solution. And mainly this has to do with another recommendation in my report, which is that we need to change how we think about tech and systems improvement away from huge wholesale major one-time investments in a change and more towards an incremental

step-by-step continual process. And that's based on the history that I've observed and many experts who are far more technologically qualified than myself, where when you do try to take on something too big, it's very likely to fail.

And so, my concern with trying to move immediately from this distributed, totally different, variegated system to one national thing, it's just too big of a change, too fast. And I would be concerned that in the process, we would not only be likely that it wouldn't work well, but it could lead to major data breaches, because if you put everything in one place that it actually could make the data and security more problematic.

But also, the federal government is very disconnected from the ground level. And when you're talking about user experience, I just think that you have to really build it from the ground up to make sure that you're getting a lot of input.

And so that's not to say that there's not much that federal policy or federal authority could do. I definitely think we need more standards in terms of data standards. I definitely think that we need more protections for equity of access. And I think that we need the ability, the funding, the staff capacity at the state level to actually do the implementation. But I think with current technologies like cloud services and other things, we could have a distributed administrative system but that has some core foundations of standardization embedded into it. And that would make it something that's easier to protect because it's distributed, but also easier to integrate and link and automate different pieces of because it's using the same data dictionary.

And I would add to that the third major recommendation in the report is around revisiting the security and privacy framework, which we can talk about later. But that's another piece of this, that we need systems where you can deploy some modern tools for security and fraud detection and such, and clearly, we weren't ready for that in this go around.

So, it's not a bad idea. It's just don't see from previous experience that it's likely to succeed. Only one in five of the modernization projects that the federal government funded after the Great Recession came in on budget, on time, and with all the required features.

DEWS: So, let's talk about the security and privacy issues now, because that strikes me as a monumental issue across the data and technology world, and you deal with it a lot in your paper. And that has to do not only with, you know, end users and their privacy of their data, but also the way that civil servants who work these systems, they are facing challenges in dealing with privacy issues. So, can you talk about the privacy concern and how that relates to the administration of these programs and the challenges that you document here?

GOGER: Absolutely. So, one metaphor I like to use is that they're trying to attack a machine gun with a bayonet. A lot of states, because of the cuts in funding, they don't have a lot of staff capacity internally who have the technical skills to do, for example, like cybersecurity skills, but also just programing skills. They're working off of 30- to 40-year-old mainframes that require ... the infamous quote from Governor Phil Murphy in New Jersey, he was pleading for COBOL programmers because that's what language the system is programed in. But we don't produce people that know COBOL anymore.

And so, the combination of the fact that these languages and systems are fairly old, they don't have a lot of staff that have modern experience with cyber technologies, there's not a lot of budget to really devote to maintaining and updating the security—it makes the whole environment really risky. And the career staff that are in charge of them at the state level, they're very well aware of these problems. And so even though they're tasked and required to share data as part of, for example, workforce programs need to use unemployment records to see who's gotten a job and who hasn't and how much they're earning; they're required by law to use those data to show their success. But a lot of the folks in charge of data sharing and that oversee that unemployment insurance data, they're very hesitant to share it and rightfully so, because they're worried that that the data would get misused or get into the wrong hands.

And so, without federal intervention, I just think we need to be thinking about the pressure points and how it's disincentivizing sharing by the whole context being one of fear, a violation. But at the same time, it's requiring sharing, but it's just not happening, frankly.

And so, we're not able to actually use the data to be able to serve people better, to target people well, whether they're an employer or a job seeker, to give them a really customized services or messaging to let them know what services are there, all because security is such a huge threat. And as stewards of public dollars, people are hesitant to do anything that could be perceived as a risk. And right now, the culture is that it's just dominated by that fear.

And so, when I held a series of three policy roundtables over the past few months, which I should have noted earlier, but we pulled together folks from the state level, the local level, and federal level to talk about these problems and just to inform this report. And one of the things that the state level folks told me again and again is that there's just lots of federal laws that speak to privacy and security, but there's not like a coordinated common blueprint for that security framework. And there's also not a home for monitoring and enforcing those laws.

And so, it's just something where many of the laws were written in the '70s before we had the internet, before we had mobile apps, before big data, all of that, way before algorithms and A.I. And so, when you're dealing with security and privacy laws from the '70s to govern a program right now where people's risks are very different, and you don't have a common blueprint for where does the U.S. stand on data rights, on privacy, it just becomes super risky for that career staff person to operate in that environment, because any choice they make, someone could find a law where they stepped over the line. Right? They're always trying to navigate this fine line between, meeting all their compliance and regulatory obligations. And it's really easy to blame that civil servant like, oh, you failed to protect the public. They're justifiably fearful about sharing.

But the fact is that there's a lot of positive, beneficial uses that we could have if we did have secure ways of sharing data. And unfortunately, we just don't have the infrastructure or the capacity right now or the legislative sort of context that would facilitate that.

DEWS: I want to ask you about one other challenge that civil servants are facing. And I'm not sure if this is just federal civil servants or state officials as well. And you mentioned this in the report. A 1995 law prevents officials from conducting more than nine interviews with the general

public, which by which I assuming that could also mean media, without Office of Management and Budget approval. Can you talk about what that is? That was that was a surprise to me.

GOGER: I used to be an evaluator of workforce programs and so all the time we would get evaluation projects where we would need to do interviews with different folks about the program and how it worked. We always had to go through a set of Office of Management and Budget approval process, which generally took about a year, in order to administer it beyond just like a set of pilot interviews just to kind of develop the interview questionnaire. And that law applied to us as contractors for the government. But it also applies if you're a Deloitte building a system, or IBM or Tata, building a system for a state and you want to interview and do cognitive testing with different users, you can't do that with more than nine unless you get OMB approval. And this is this is put into law in 1995 in the Paperwork Reduction Act.

And so that's a good example of an outdated law where the intent was probably really positive. So, if you're Google or Apple and you're developing a new product, you're always going to be testing all kinds of use cases, all kinds of users. You want to test it with people with disabilities, with older people, with younger people, everyone you can do a test with you will, because you want to make sure that from that person's unique point of view, this works for them.

But right now, the government can't actually do that without breaking the rules, whether it's state level, local level, or federal level. They really are prohibited from actually getting that input from users unless you wait a year to get approval. And so, I think this is really problematic for scaling, for really prioritizing that end-user experience.

And I want to make one really key point here, which is that the workers that are the most vulnerable—let's say you have multiple areas of employment, let's say you're coming out of incarceration, you might have a disability, so you need to access services from vocational rehabilitation. You might be looking for a job, so you need to go to career services. You might need some food assistance when you first get out and to apply for Supplemental Nutrition Assistance Program, you know, you have multiple, multiple needs. Doing interviews with people like that, who

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are likely to be interacting with these systems the most and across multiple systems, is we're not getting input from people like that who are the ones that are the most challenged to begin with.

The more complex your scenario is, the harder it is for those folks to navigate these systems. And we're not doing enough testing with people like that who really don't have necessarily enough of that sort of background knowledge and education or just sort of ability to know how these systems even work from the beginning. And that's what concerns me the most, is that when you put the burden on the end user to navigate each thing individually, it means that it negatively impacts those that have the most barriers. And that's really against the priority of equity that we hear again and again around inclusive recovery and equitable building back better from the Biden administration. We can't do that if we don't. User input from the people that struggled the most.

DEWS: I think this is a good time to pivot into some of the more forward-looking solutions to some of these problems. I mean, they're myriad, there's technological issues, there's data privacy. There's a lot of barriers to implementing systems effectively, efficiently to get people the benefits they're entitled to, especially in these difficult times. And you have a number of case studies in the report that walk through some of the systems that are trying to address these problems. One of them is the Jobs and Employment Data Exchange. It's abbreviated JEDx, and that's from the U.S. Chamber of Commerce Foundation. Can you talk about that case and what it illuminates?

GOGER: Sure. Well, I think this is actually one of the most promising areas for change and improvement of these systems. And this is basically changing how employers report someone's earnings and wages and whether they're employed to the state to make it easier on the employer, on the one hand, but also to have better quality and more complete data and to get it more often. And so, the issue is that right now the employers report these data quarterly and they do so in most states very manually. So, my father's a small business owner and when I was between jobs one summer I worked for him, and one of the things he gave me was to enter his quarterly wage information. And it was manual, into Excel. And so I know as a policy researcher that any time you ask people do

something that manually, it's likely to have a lot of errors, and you want to limit the number of things they're entering, right, so that it's not going to take them days if they can get it done in a reasonable period of time without creating an uproar about how much work it is. So, right now, that's how a lot of employers are doing their quarterly wage reports.

And the JEDx is an initiative led under the T3 Innovation Network, which is coordinated by the U.S. Chamber of Commerce Foundation. And it's a multi-stakeholder collaborative effort, really employer driven, because it's the Chamber of Commerce Foundation, but also involving private partners like payroll providers like ADP and others, including program providers that I've been bringing into my roundtables and things like that.

Basically, the goal is, as employers speaking, we want to modernize how we report this information. First of all, we want it to be automated from payroll. So as an employer, I report my payroll every two weeks or every month, and that data could be sent in an extract to the state in all the required formats and all the things, it's just automated. Right? And if it's standardized and I'm an employer, let's say IBM and I have multiple sites around the country, I don't have to create custom reports for different states because they collect different data. I can just report it in a standardized way. And so that it's like the same everywhere. It saves me time, saves me effort, saves me money.

The idea here is that if we build on some of those recommendations, they flesh out standards, what we could get as society would be amazing in terms of simple things like, hey, do we have a labor shortage? If we knew within two weeks or a month generally what was happening in the labor market, we would just know a whole lot more about what's the dynamic going on right now. Right now, we have to wait six to nine months for all that quarterly data to get processed and cleaned and produced. It's delayed and we don't even know right now what's going on as things re-open in the labor market.

And secondly, it would be standardized. So, as a data source across states you would just generate much more valuable, useful data that's much higher quality with more elements that could

then be used for a lot of things. Obviously, you need to make sure there's a security framework in place for protecting privacy, as with any data system. But this data that employers report goes into the BLS, the Bureau of Labor Statistics, quarterly census of employment and wages, and that's just a massive Bureau of Labor Statistics database that they already collect. It would improve the quality, the frequency, and the amount of data in there that economists could use, researchers could use.

But also, let's say I'm a local workforce board staff member helping someone try to find a job. I could use that more recent, more updated, more complete data if it's available in an accessible way about my region, I could really pinpoint well, right now, this is what the jobs that are growing the most and it wouldn't be nine months old. So, there's just a lot of ways that doing what JEDx proposes in terms of standards and automation would really have a lot of benefits throughout society as a whole. And it's unemployment insurance wage data that kind of drives all this. But a lot of people don't understand that how outdated those processes are. And I really wanted to highlight it in this report.

I do want to add in one more point, which is one of my dreams, and this might be a moon shoot, is to use that automation as also a touch point for employers so that they can always click a button that says I need to report a layoff right now or I'm reducing hours. And that could actually automate triggering unemployment claims. So, in many instances when the employer files the claim, it skips a lot of administrative hassle when we rely on employees to file their claim. So, if you could make sure that you could trigger that from the employer side, it would actually make things go way faster from the beginning and it would obviate the need to have all of this crisis that we've seen over the last year and a half. It would really take away a lot of that pressure because most of the effort that the state staff could focus on is working directly with the employers to make sure that they're if they need technical assistance as a business, that the state would have an insight into that. Like you could use that as employers reporting. They can also say, hey, I need some help because I'm financially struggling or whatever. What kind of programs do you have available?

So, there's ways that you could use this kind of automated structure to really improve how states support employers and how states support workers. So, the worker doesn't have to go through all that burden of applying and it's taken off their shoulders completely in the first place. So that's one of my long run moonshoot visions, we can convert most of those claims to something that's employer initiated and not that much work on the employer side to do that.

DEWS: That sounds promising, and I'm glad you brought that up. And I'd like you to talk about one other case study that's in your paper, because that strikes me as having to do with intra-state or state to state collaboration, and that's called the Midwest Collaborative. So, what is the Midwest collaborative and what is it trying to achieve?

GOGER: So, the Midwest collaborative, you know, there are several places in the country where, as you probably know, like in the D.C. area, the region includes more than one state. So, you have D.C., Maryland, and Virginia, where people are constantly living in one, working in the other. And in the Midwest, there's also quite a few of those regions. You think of, like Kansas City. Right? So, that might be why it came out of that region. But essentially, the states got together, and they said—this is part of the Coleridge Initiative—they said, you know, we have people moving in and out of our states. And the more we can collaborate to have more similarity and data collection methods across states and share the data more readily and make sure that we can share solutions that one state develops with the other, and we need to collaborate on that.

So as part of the Coleridge Initiative, they created a data trust so that when the employers are reporting their wage records, as I just described, all of that goes into a data trust that then the states' agencies can each have access to and they work out permissions and linkages between the data and everything.

So, this has been just a really good example of what's possible when you're not relying on separate custom systems, but actually able to set up some basic fundamental ways of working across states that save a state money, because then one state can invest in innovation, one to solve one type of problem and then share that solution once they've perfected with the other states more

easily, and that other states don't have to make that upfront investment. So that's just like kind of an overview broadly of what they've done. And I think there's a lot to learn from that collaboration.

DEWS: Excellent. And you have some other case studies in the in the report, so I encourage listeners to go and read it and look for those because they're all very interesting. But, Annelies, as we start to wrap up this conversation, I wanted to again widen our lens back up to the federal government level, because you write about how the Biden administration came into Washington with an agenda of overhauling the legal and regulatory frameworks to bring data governance into the 21st century. So first, what does that goal mean? And second, is the Biden administration getting it done?

GOGER: Great questions. I think that the Biden administration has taken some steps towards it. One of the things that I think everyone is aware of is as new technologies like artificial intelligence and machine learning are rolled out, it also raises a lot of new risks and potential biases. So, I think where Biden was coming from is just this broader debate we've been having with Facebook, for example, all these large tech companies that gather troves and troves of data, which some call the new gold, that all this data, but what are our rights as individuals to protect our data, or for that data to not be shared if we don't want it shared? And so, as many people know, Europe has a much more stringent policy around data sharing and making people aware when their data may be shared and giving them options to opt out. The U.S. just currently doesn't have that kind of overarching data framework.

And, my report doesn't really go into that in depth, but that's the broader debate. And I think where it intersects with these systems is that the data we're talking about has to do with people's income, people's names, addresses, phone numbers. Right? It's very sensitive data. And, until we have a framework and a way to monitor and enforce the security in the system, I think that it's going to become more expensive and more risky that that something bad will happen with the data over time. And so, the sooner we can take some steps to work on a national framework for data ownership and data privacy and protection, I think the better for these systems.

The other point that I would like to make is that President Biden came from the Obama administration and under that administration is when we saw the rollout of the Affordable Care Act, as I mentioned earlier. But when those exchanges first came out, as many people remember, it was really a debacle. They crashed all over the country. And so, at that point, that's when we saw folks from the civic tech community—they're people coming from the private tech sector trying to enter government to help make those systems better. And so that was really the start of really making new agencies like the 18F and the U.S. Digital Service were created at that time. But since that time, we haven't really gone beyond having this sort of emergency response team at the federal level. And I think what we're seeing with some of the work that Senator Wyden is doing at the Senate Finance Committee, is to take some of the things that we learned out of that whole process and really scale them to many other federal agencies and systems and not just to have civic tech positioned as an emergency response thing, which they've been super critical in the last year and a half for unemployment insurance.

But we have to be thinking more broadly about how do we change and improve these systems so that we're not just outsourcing the whole system in one state wholesale to like a Accenture or IBM or Deloitte. And then it comes back and it's not great, but we have to outsource it again to get anything changed. But how can we instead outsource smaller pieces to those types of entities and have more ownership internally within the state? And then to do that, you have to have people like civic technologists that really understand how the private sector works in terms of its software development processes and user experience. But also, you have to build the allyship, you get to do it in partnership with all the policy folks that are already working there and gradually start building capacity and awareness of what these systems mean.

And to me, what that means is you're not seeing tech as a separate thing, but you're actually integrating. Just digitalizing everything isn't necessarily going to solve the problem here. You actually have to look holistically at the technology and how the process works. So, someone's applying for a program, there's a set process. How do you look at the whole package and figure out

pieces of it starting small that you want to work on? I know that there's a bottleneck in ID verification, identity verification. Well, let's iterate on that specific problem. Start small and then scale that when we find something that works.

We have to move away from just wholesale outsourcing of custom systems to something like that where there's more of a living resources, how one of our roundtable members described it. It's just a system, an ecosystem that continues to evolve and that people have multiple levels, whether it's a local government person or a state. They can all innovate in their own ways with certain things in place, like security and privacy standards. But they can all have that little bit of that flexibility to innovate and have enough funding and resources to do that and have those things that work gets scaled into the system. Right now, we don't have a good system for data flow up to the federal government or data flow back down in a secure way. And we need to think through like an overarching framework, I think. The people in our roundtable call it a cascading framework for administering distributed programs and systems like this.

DEWS: Well, Annelies, why don't we end the conversation there. There's a whole lot more in this paper, very important paper, about transforming digital systems for delivering services across all levels of government to end users. So, thank you for sharing with us your time and your expertise today.

GOGER: Thanks so much for having me. It's been a pleasure to be on here again.

DEWS: And you can find the paper by Annelies Goger and Janie McDermott on our website, brookings.edu.

A team of amazing colleagues helps make the Brookings Cafeteria possible. My thanks go out to audio engineer Gaston Reboredo; Bill Finan, director of the Brookings Institution Press, who does the book interviews; my communications colleagues Marie Wilkin, Adrianna Pita, and Chris McKenna for their collaboration. And finally, to Soren Messner-Zidell and Andrea Risotto for their guidance and support.

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Until next time, I'm Fred Dews