



Delayed and Denied: Modernization Needed at Georgia DOL to Support Georgia Workers and Economy

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Key Takeaways:

- The historically underfunded Georgia Department of Labor (GA DOL) has not taken advantage of all opportunities to strengthen its systems and quickly get Georgians the benefits they are owed
- When the GA DOL takes longer than expected to implement programs and payout claims, workers and their families are devastated.
- Georgia workers must be at the center of efforts to improve functions and policies at GA DOL.
- The economic crisis made the state Unemployment Insurance (UI) system and Georgia workers vulnerable to fraud. Federal resources allocated to address fraud need additional oversight to guarantee efficacy.
- Employees who are misclassified and contract workers are poorly protected by current unemployment benefit policies.
- The current crisis presents an opportunity to modernize and improve the unemployment system to reflect the real needs of all workers. We recommend the activation of the department's advisory councils as provided for by the code to present issues and propose new solutions.

Since March 2020, Georgia's Department of Labor (GA DOL) has received over 4.3 million UI claims, a demand in benefits that the agency was not prepared to address.¹ Despite the surge, the department has not requested additional state funding to enhance operations and serve Georgians impacted by layoffs during the COVID-19 pandemic.² To understand worker experiences with accessing unemployment insurance from a weakened system, we



asked Georgians to summarize what they want lawmakers to know about the process. One of the workers summarized the structural challenges in the following way:

“We are still effected [sic] by this COVID-19 Pandemic and I’m sick of being in this alone and I’m a tax-paying citizen, we deserve our help and support, this was the most catastrophic year in a very long time! I went almost 2 months without pay, electricity out, rent and late notices on my door, no food, no water, I lost the only job I had before this pandemic took place, my restaurant had to get shut down due to Covid-19 and I couldn’t even be able to provide for my household. I hate that it took the government so long to reach back out to us, the phones were down, whenever you would call any number on the GDOL website it would go straight to a dead line, no one were available to reach [sic], no questions could be answered, you were lucky if you received an email, it was terrible, I hate we had to endure such tragedy, it was especially rough knowing that I was only 19 at the time and with this being my first scary experience losing the only job I had, and almost losing my life!” - Grace

Instead of bold state investments, the department is relying on temporary funding from the federal government to implement new benefit programs. This policy choice limits the ability of the agency to reach all Georgia workers who need financial help in a timely manner.

GDOL III-equipped to Respond to All Workers

- The department’s capacity remains thin. Today, the agency employs half of the staff that it had during the Great Recession (2,219 in 2010 and only 1,066 in 2020).³
- One in five Georgians who applied for unemployment insurance in 2020 did not receive benefits.⁴
- It still takes more than 50 days for 80 percent of unemployment cases to be decided. The federal standard is 21 days.⁵
- And for cases that require an appeal, a woeful 96 percent – almost all – of Georgians who filed an appeal have been waiting six months or more for a decision.⁶ There are over 65,000 claims awaiting an appeals decision as of February 2021.⁷

When the GA DOL takes longer than expected to implement programs and pay out claims, workers and their families are devastated. These delayed benefits worsen hardship for those who need assistance, who use the funds to pay for necessities like child care and



health care, as this Georgian shared in our recent survey of Georgia's unemployment insurance participants.

"[...] The time it takes to process and make a determination on a claim is absolutely entirely too long. The GDOL rules state that it takes 21 days to complete and pay out a claim. That information is false. It has taken months with no updates or responses from claims examiners. There are also claims being denied unjustly. There are thousands of people who have themselves, their children, and family to take care of and they are depending on money they rightfully deserve from UI. But at the same time are losing everything they have due to no fault of their own. This is unacceptable." - Monty

Immediate State Funding Needed

Currently, funding levels at the GA DOL are too low. The current department budget request for Fiscal Year 2022 is a meager \$12.7 million. This is a drop in the bucket compared to Georgia's entire \$26 billion state budget. Unfortunately, the budget request does not add funds despite the agency processing a historic 4.3 million claims in the last year. In fact, the budget request maintains cuts to the agency that were made in FY 2020.⁸

Georgia's system has been overwhelmed by the basic task of receiving claims, and workers are frustrated. However, there are immediate steps Georgia can take to improve access, even within outdated systems. Some states are already moving to implement major structural reforms, and Georgia should follow their lead as quickly as possible. Fundamentally, lawmakers need to view an investment in the department's technology system and workforce as an infrastructure investment that would make Georgia's Department of Labor recession-proof for the future.

Fraud is often pointed to in conversations about UI. The fact is that fraud has always been an issue in unemployment, but the sources of fraud vary greatly. Georgia's workers are blamed too often for fraud when the structural integrity of the GA DOL has been compromised as a result of state and federal disinvestment. Currently, the agency outsources unemployment insurance payments to a third-party company, which also creates an unaccountable space for fraud to be pervasive.

Placing the concern of fraud on the backs of workers without acknowledging frail funding at the agency paints an inaccurate picture of the root causes of the problem. To address this issue, the State might consider holding workers harmless for a period until they can appeal fraud claims. Georgia workers need due process and possibly representation as well for fraud claims arising from the vulnerabilities, poor investment, and system failures that were exposed during the 2020 crisis.



The GA DOL's website is also not built to handle the load that it is now facing, and it is the product of disinvestment and failures to modernize as mobile applications become a larger part of day-to-day life.⁹ Most states are only now scrambling to tap technology like chatbots and apps to offload work from claim examiners. It was not until November that Georgia implemented an online appointment scheduler. One of the workers we surveyed shared the following about their experience with the DOL website and attempting to get help from staff with their claim:

"[...] Pages upon pages of 'job assistance' and 'what to do about fraud' when you couldn't get a human being on the phone or email for months. MONTHS! Honestly while I still job search like I am supposed to, it is mostly because #1) I know I cannot live on UI benefits as they are. #2) I would much rather be employed full-time and just as much be willing to risk my health due to COVID-19, [sic] than to spend another three months stuck waiting for help from the DOL with another UI claim." - Vanessa

Even though some hiring at the department has occurred over the last year, there are still significant delays in processing unemployment insurance benefits. In addition, state workers themselves, who are disproportionately women and people of color, are subject to long hours, low pay, mandatory overtime and other conditions in the workplace that make the job stressful.¹⁰ Adding funds to the department to hire enough staff to create a manageable workload can go a long way. Funds could even be used to hire the many Georgians who have been displaced from work.

Department of Labor Leaves Millions on Table That Could Save Jobs

In Georgia, we make layoffs one of the only choices available to employers, but there are other options. In 27 states (and more under the CARES Act provisions), employers can avoid full layoffs through a little-known program called short-time compensation, or "work share."¹¹ The program allows employers to spread hour reductions across staff on a temporary basis and provides compensation to workers for lost hours, including enhanced benefits.

Since the General Assembly passed a law that gives the GA DOL the authority to implement work share programs in the summer of 2020, Georgia is eligible for 100 percent reimbursement for payments made to workers through the program.¹² However, GA DOL continues to reject the work share opportunity, leaving \$3.2 million in administrative funds and millions more in reimbursed benefits on the table that could grow administrative capacity at the agency and get more Georgians the assistance they need while also helping employers keep workers on their payrolls.



Worker Voices Needed at Department of Labor

Stronger, worker-centered leadership of the GA DOL is overdue. Current law authorizes the department commissioner to appoint members to an industry advisory council, which advises the Commissioner of Labor on unemployment insurance issues, but the council is not in operation despite an economic crisis in Georgia.¹³ Given the crisis, it is time to activate community leadership to inform ways GA DOL can improve services for workers who are laid off through no fault of their own.

Making sure those workers have an opportunity to provide recommendations to GA DOL based on their experiences can not only present new, innovative solutions based directly on user experience but could also ensure a more equitable system is designed.

Endnotes

¹ GBPI analysis of weekly unemployment insurance claims data published by the U.S. Department of Labor

² Governor's Office of Planning and Budget. (2021, January). *The governor's budget report for fiscal year 2022*. <https://opb.georgia.gov/document/governors-budget-reports/afy-2021-and-fy-2022-governors-budget-report/download>

³ Butler, M. (2021, January 21). Government Affairs appropriations subcommittee hearing [PowerPoint slides].

⁴ GBPI analysis of Household Pulse Survey data (2021, February), U.S. Census Bureau

⁵ Ibid.

⁷ U.S. Department of Labor. *Benefits: Timeliness and quality reports*. (2021). <https://oui.doleta.gov/unemploy/btq.asp>

⁷ Georgia Department of Labor. (2021, 18 February). *Georgia announces more than 95% payment rate for eligible regular UI claims* [Press Release]. <http://meltwater.pressify.io/publication/602eb9dcbbaf58000439d01c/5b296714f502c80e0024fd3a?&sh=false>

⁸ Governor's Office of Planning and Budget. (2021, January). *The governor's budget report for fiscal year 2022*. <https://opb.georgia.gov/document/governors-budget-reports/afy-2021-and-fy-2022-governors-budget-report/download>



⁹ Simon-Mishel, J., Emsellem, M., Evermore, M., Leclere, E., Stettner, A., & Coven, M. (2020). *Centering workers – How to modernize unemployment insurance technology*. The Century Foundation. Retrieved from https://s27147.pcdn.co/wp-content/uploads/UI-mod-report_FINAL.pdf

¹⁰ Camardelle, A. (2020). *Tearing the fabric of Georgia's safety net guarantees an uneven recovery*. Georgia Budget and Policy Institute. <https://gbpi.org/tearing-the-fabric-of-georgias-safety-net-guarantees-an-uneven-recovery/>

¹¹ Becker, H., & Roberts, L. (2020). *Improving the work sharing system to absorb employment shocks*. Center for American Progress. <https://www.americanprogress.org/issues/economy/reports/2020/11/13/492886/improving-worksharing-system-absorb-employment-shocks/>

¹² Gilarsky, M., Nunn, R., & Parsons, J. (2020). *What is work sharing and how can it help the labor market?* Brookings. <https://www.brookings.edu/blog/up-front/2020/04/16/what-is-work-sharing-and-how-can-it-help-the-labor-market/>

¹³ Georgia Code Title 34 - Labor and Industrial Relations Chapter 8 - Employment Security Article 3 – Administration § 34-8-72. Appointment of state and local or industry advisory councils. <https://law.justia.com/codes/georgia/2019/title-34/chapter-8/article-3/section-34-8-72/>

Note: This piece has been updated to remove outdated statistics regarding how Georgia's payment rates for benefits compare to other states.

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