

Illinois Poorly Prepared for Flood of Unemployment Claims

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Gov. J.B. Pritzker held off filling top vacancies at Illinois' unemployment office because he was planning to merge it with another state department.

Then COVID-19 upended the nation.

Starting in March, as authorities shut down businesses and schools and 2 million Illinois workers flooded the state for jobless benefits, the state Department of Employment Security was already at one of its weakest moments in recent history, records and interviews show.

At that moment, agency staffing was at an “all-time low,” according to its then-acting director. Veteran employees were retiring in droves to be replaced by rookies. And when key jobs were filled it was sometimes with political aides who had little or no agency experience.

Before the national health crisis, Illinois had been ranked among national leaders

for speedy delivery of unemployment benefits. Suddenly, IDES plunged to being among the worst in the nation on several key performance measures.

In the months since, as problems have persisted, the administration has offered a range of explanations for its inability to handle the surge of claims.

Pritzker has blamed his Republican predecessor for [hollowing out](#) IDES and leaving the agency with inadequate staff and outdated technology. He has also criticized President Trump for “[unfair](#)” and chaotic rollouts of federal unemployment benefits.

But government records and interviews offer a more complex portrait, and reveal the frenzy inside an agency diminished by staff vacancies at every level in the 18 months Pritzker was in charge — even before the crisis.

State-by-state data from the U.S. Labor Department, hundreds of agency emails and internal agency documents obtained by the Better Government Association show:

- In recent months, IDES has issued around 1% of its unemployment checks within seven days of the initial applications, making it the slowest state in the nation by that measure. Before the pandemic, it was among the fastest.
- On some key federal measurements for processing unemployment claims, IDES performed better during the pandemic than other big states or than the nation as a whole. Still, Illinois failed to meet standards in five of 10 performance measures collected by federal authorities, ranging from timely benefits distribution to the soundness of internal audits that detect fraud and underpayments. The Pritzker administration denied a request for these scorecards, but the BGA obtained them anyway.
- In June, the overwhelmed and understaffed agency told a senate oversight panel, in writing, that it moved jobless claims that came through elected officials to “the front of the line” over applications that came directly from taxpayers, the BGA found.
- In emails and internal presentations, the acting head of the agency sounded the alarm repeatedly and urgently. “Please know that I’m doing everything in my power to get you what is needed,” he wrote in a March 14 email to his boss, Deputy Governor Dan Hynes. “But I need some

help.”

Pritzker administration officials acknowledged to the BGA the agency had problems, but Hynes said unfilled leadership positions at IDES had little impact.

“There was not instability at the top,” he said. “I think what was lacking was everything underneath there.

“There was great attrition in the rank-and-file employees who were at the front lines of services. There was outdated technology, a lack of investment in technology that had occurred over the last 10 years. That’s really what was lacking.”

Hynes said IDES worked hard “under incredible stress” to pay out a staggering \$14.2 billion in benefits to an unprecedented 2.1 million Illinois claimants from March through August.

“The volume and surge of claims that overtook the agency was really unprecedented and unsolvable until we figured out how to allocate the resources in the right way,” Hynes said. “It was heart-wrenching among all of us to urge patience among people who were desperate to get help, but knowing that we were unable to deal with everybody all at once.”

Pritzker this summer named Kristin Richards, a former chief of staff to state senate presidents John Cullerton and Don Harmon, the new acting director at IDES.

“More so than anything, I feel a responsibility to try and bring some stability for claimants, find some stability for people that are attempting to reach us,” Richards said. “It’s a really big problem-solving exercise but it’s the right time to throw every bit of muscle we can to try to do it, and that’s what we’re going to do.”

Experts say reforms are welcome and sorely needed.

“These problems at IDES came at a cost to people. Some applicants had desperate financial problems,” said Jeremy Rosen, Director of Economic Justice at Chicago’s Shriver Center on Poverty Law. “The governor was right that no state was properly prepared. But given the crisis every state faced, why did Illinois not

respond as effectively as other states?”

From best to worst

Before the pandemic, Illinois had been paying about 80% of initial unemployment claims within seven days.

That quick payout rate plummeted to around 1% and held there through September, putting Illinois last among states on this timeliness measure, according to newly released data from the federal labor department.

IDES told the BGA these quick payments slowed because Illinois — like many states — waited one week before starting the clock prior to the pandemic. After the crisis, Illinois and 36 other states cut out the “waiting week” in an effort to get more money out quickly.

Agency officials offered no explanation why it performed so much worse than all other states, including those that waived the waiting week. Only nine other states fell to less than 10% on this 7-day measure, the federal records show.

Federal rules do not require a 7-day turn around. Instead, the guidelines require states to pay out nearly 90% of all initial unemployment checks within 21 days.

On that 21-day measure Illinois also fell short by distributing only 61%. However, Illinois still performed better than most states. By comparison, the national average for meeting the three-week window is nearly 55%.

Still, every day matters to laid-off Illinois workers borrowing from relatives to pay their rent or mortgage bills, selling personal belongings and using food banks to get groceries to their families, according to emails pleading for help that reached the governor’s cabinet.

“There is no standard for seven days,” said Richards, the IDES acting director. “I agree with you it is important to claimants. Every day is important to claimants.”

A Christmas tree on fire

The difficulties Illinois was facing amid the pandemic were reflected in federal labor department score cards required by the federal government, which rank states for the promptness of payments, the effectiveness of audits and eight other agency functions.

States submit reports every three months to indicate adequate performance or something less by labeling each of the 10 categories with either a green or red mark. IDES veterans call this chart “the Christmas tree.”

While IDES had been slowly improving since 2015 on the core labor department metrics, by March of this year Illinois was the only state failing all three categories labeled “integrity” measures, which includes detection of overpayments, improper payments, and the recovery of those mistaken payouts.

Asked for the state’s scorecard data through June, Pritzker administration officials declined to provide the records.

“The Christmas tree is a document put together for internal purposes only and is not available for public consumption,” IDES spokeswoman Rebecca Cisco told the BGA in an email.

The BGA, however, obtained a copy of that report, which shows erosion as Illinois failed five of 10 performance measures.

Front of the line

Amid the chaos, IDES was so far behind in processing claims that it triaged cases by prioritizing people referred by local politicians, the BGA found.

In a June 5 report to the bipartisan Senate oversight panel, IDES responded to questions about the lack of uniformity in how unemployment claims are submitted.

“Claimants continue to call IDES in addition to their elected officials,” the report said. “Therefore, often, even though we move an elected official’s constituent to the front of the line, the constituent has often already been able to get through to the call center.

“We will continue to pull our staff out of the call center to call claimants sent to us by an elected official,” that report added, “but with hundreds of elected officials submitting issues to IDES, we cannot ensure the claimant will receive a response prior to their being able to get through to the call center.”

Later that month, more than 50 House Democrats wrote to the agency that each of them was fielding 60 to 90 complaints from constituents on any given day. The lawmakers asked for additional IDES staff to handle their claims. In a [column in the Chicago Sun-Times](#), Rich Miller reported on the lawmakers’ letter.

In a recent email to the BGA, Pritzker spokeswoman Jordan Abudayyeh called the IDES practice of responding to claims referred by elected officials “an attempt for the Department and its employees to help as many people as possible at a time when there was no structure in place.”

The BGA has filed a pending public records request for details on the number of claims referred by each elected official since March.

‘This is not good’

Illinois began the pandemic era in a proud position, first among states to begin paying out the initial \$600-per-week Federal Pandemic Unemployment Compensation payments on April 6, records show.

That early success quickly became a footnote as IDES was overwhelmed with 519,269 new claims for regular unemployment benefits that month — more than 10 previous Aprils combined — and federal authorities poured \$500 billion in crisis relief into an alphabet soup of new and existing programs for laid-off workers.

Records show how Illinois struggled to implement those federal programs.

It was the 44th state to apply for the \$300-per-week “Lost Wage Assistance” benefit: While most states deployed that program in August, Illinois did not start making payments until September 4, records show.

It was among 23 states that did not offer workers partial benefits when their employers reduced hours instead of laying them off. IDES told the Senate oversight panel in August it decided against offering the benefit because its staff

was “stretched thin.”

Illinois also trailed all but seven states in processing the federal Pandemic Unemployment Assistance, or PUA benefit, to independent contractors and “gig workers.” Illinois did not begin processing PUA payments until May 11, and didn’t start paying until a week later.

Emails between Hynes and then-IDES Acting Director Thomas Chan — obtained by the BGA through a public records request — detail the pressure inside IDES as Illinois’ PUA program was rolled out.

“Folks — I am counting on you to launch the independent contractor unemployment system ASAP and no later than May 11,” Pritzker wrote to Chan and Hynes at 7:43 a.m. on May 4. “Can you confirm that will happen? JB.”

IDES hustled to update its policies and computer code, and minutes before midnight on May 10 Chan emailed Hynes that he and aides did a test run by filing a small sample of claims.

“Minor hiccups but no show stoppers,” Chan wrote.

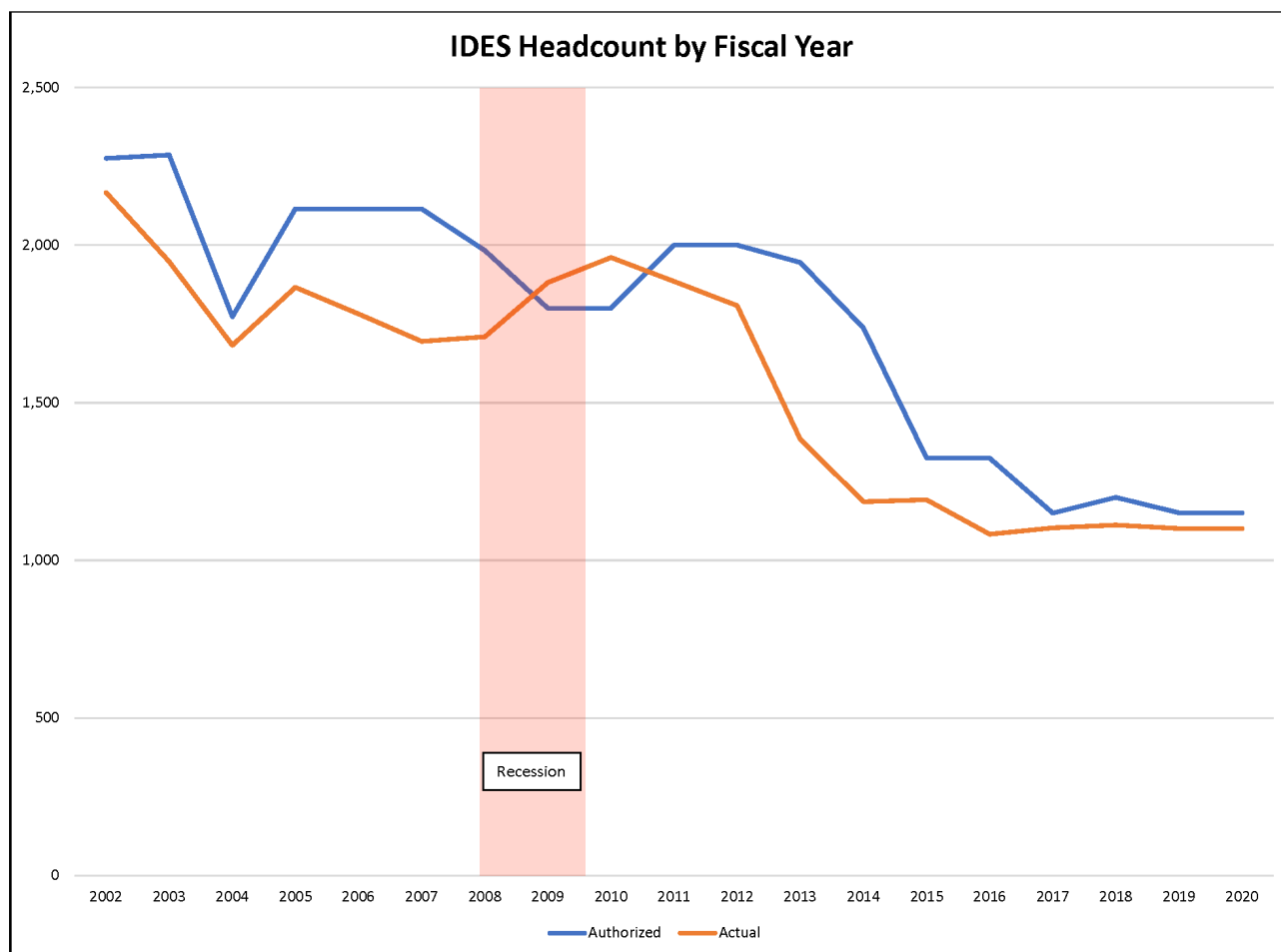
Within 10 minutes of Illinois’ PUA system going live the next morning, on May 11, more than 1,500 people applied for benefits through the state portal, records show. Hynes conducted his own test minutes later.

“I called the 800 number. Hit the correct prompts for PUA,” Hynes wrote in an email to Chan at 8:01 a.m.

An automated voice told Hynes there was a high volume of calls. Then it hung up on him, Hynes emailed.

“It’s not even 830,” Hynes wrote. “This is not good.”

Staffing levels hit ‘all-time low’



Illinois' struggle to roll out the new federal benefits came amid staffing shortfalls at every level of IDES.

Acting Director Chan was a placeholder pending the governor's merger plans. Pritzker had named a replacement for Chan in 2019 then withdrew that appointment days later without explanation. And there were months-long vacancies in the deputy director and audit positions.

On March 14, 2020 — as Pritzker was closing Illinois schools and dine-in restaurants and limiting gatherings to no more than 50 people — Chan sent Hynes an urgent email that revealed the staffing shortfalls within IDES.

"I need permission to fill IDES' Chief Operating Officer position as soon as possible," Chan wrote. "Please know that I'm doing everything in my power to get you what is needed. But I need some help."

The Pritzker administration granted that request, and Chan rode out the harrowing next months at the helm of IDES. Chan declined to comment for this report.

Beyond leadership vacancies, rank-and-file numbers also were dropping.

In 2010, the year after Democratic Gov. Pat Quinn took office, the agency headcount stood at almost 2,000. That number declined to around 1,300 when Republican Gov. Bruce Rauner took over in 2015. When Pritzker assumed office in 2019, there were 1,100, records show.

By April, the IDES staff level had slipped to 1,041, according to state records.

“Illinois had been struggling to onboard new employees faster than the rate of attrition,” Chan told the state’s Employment Security Advisory Board.

“In other words, heading into this downturn, our baseline staffing numbers, the employees hired to operate our programs and meet minimum federal performance standards, were, despite our best efforts, at an all-time low.”

What’s more, experience had been drained from the agency.

In 2014, Chan told the panel, about 86% of IDES’ workforce had more than five years’ experience with the agency. By June it had dropped to 67%. Managers “are serving in multiple roles and performing the work of multiple employees,” Chan said, according to the board’s meeting minutes.

Amid the pandemic, on April 29, IDES contracted with a private accounting firm to bolster the force of 100-plus IDES staffers answering phones. But those new agents often did not have adequate training to answer even the simplest questions, instead transferring claimants to the better-trained IDES employees, records show.

‘Best practices’ to borrow

Pritzker wants to add 226 IDES employees next year. Illinois also is planning to issue bonds to borrow more than \$5 billion to bail out the IDES Trust Fund, which uses taxes levied from employers to pay out worker benefits claims, records and interviews show.

“What we’re going to do ourselves over the coming months and years is to figure out what we’ve learned from this experience,” Hynes said. “And that applies to what technology systems we have and need, what sort of human resources we

need to devote to this agency, what type of best practices we should be borrowing from other states.”

On hold for now: the governor’s plan to merge IDES with the state labor department.

“It would not be a prudent thing to try to move pieces around and make changes in an agency that is really struggling just to meet its basic operations,” Hynes said.