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It's Like 'Starting Over From the Beginning': Dept. of Labor Woefully Behind on Federal Unemployment Payments, Blames Outdated System

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The V.I. Dept. of Labor is nowhere close to start making federal unemployment payments from the American Rescue Plan Act to Virgin Islanders, and has only now started to issue payments to residents for a program whose start date was January 2 and end date March 14.

Multiple residents whose benefits ended in December told the Consortium they've reached out to the department to no avail, with at least two residents speaking of hardships they have faced as a result of the pandemic and how critical the unemployment benefits have become.

The Continued Assistance Act (CAA), which was approved in the second federal Covid-19 aid bill signed into law by former President Trump late December, provided \$300 in assistance from

Jan. 2 through March 14, 2021. The third Covid-19 aid bill, signed into law by President Joe Biden, provides \$300 in unemployment benefits from the end of the CAA through Sept. 2021.

But the Dept. of Labor only on Friday started releasing funds for the CAA, which expired on March 14. As for the American Rescue Plan Assistance program (ARPA), which started on March 15, Virgin Islanders won't see this benefit until the V.I. Dept. of Labor has completely issued CAA payments, according to Labor Commissioner Gary Molloy.

Mr. Molloy explained to the Consortium the problems causing the protracted release of funds, with the main issue being an outdated system that he said is forcing the department to start from the beginning with implementation of each program. "For VIDOL, it will be like we are starting over from the beginning as we did at the beginning of the pandemic," he said of the programs' implementation.

According to Mr. Molloy, while former President Trump's CAA extended federal unemployment funding from its end date of Dec. 27, 2020 to March 14, 2021, "It forces VIDOL to implement 4 new programs," which Mr. Molloy says mirrors the work the department was tasked with at the onset of the pandemic. These requirements, he said, call for the department to "do more reprogramming of our VIDOLA\$ system in order to continue to implement these programs."

Another issue the commissioner pointed out was the late release of funds to pay for the CAA's reprogramming, which he said was released on March 26, 2021. Localities with funding would pay for implementation and refund their coffers once the federal allotment is released, but the V.I. government either does not have the funds or has failed to execute this strategy.

The Consortium was told that the department only utilizes one individual for the programs' implementation. However, the commissioner said while there was one main individual with a "two-person team" with the overall history of the Oracle system the department uses, another team — called the ITSC CESER Group — was providing additional support.

"The Oracle programmer and his team have the main responsibility of developing, coding, and providing the patches for the integration and implementation of each of the UI programs," said Mr. Molloy. "The fundamental issue with our VIDOLA\$ system is that many parts of the system mirrored the very antiquated manual process that only exists in the Virgin Islands. As a result and to my knowledge, the main Oracle programmer has been with this system pretty much from its inception so no matter who else we hire, we still had to hire him to be a part of the process. Also, he has to do all of the forms, rule change integrations and overall maintenance of the operating system because of his familiarity with the entire system and process."

Mr. Molloy added, "So we are woefully behind because of manual process that we had in place for the regular unemployment insurance program. Remember that all of the pandemic-related programs had to go through this determination process first."

The commissioner also stated that the department "is currently in the middle of five ongoing audits that requires staff to compile data for the U.S. Dept. of Labor," a matter that further snarls progress as it takes away attention from the core work of issuing payments.

"In addition, the Virgin Islands is not the only state that is woefully behind," Mr. Molloy said. "In fact, some states have decided not to implement some of the programs or have had to drastically alter their service and delivery methods to no calls or in-person access to the UI [unemployment insurance] division.

Mr. Molloy said ITSC has automated the regular unemployment system processes, affording the department to now perform certifications and direct-deposit transactions online.

However, "All of the pandemic related programs are still manual. We are working now to get the other pandemic programs automated so that we will not have to go through this protracted process again manually," he added.

The commissioner highlighted the progress the department has made and the tens of millions of dollars delivered to residents. He also praised Labor employees. "While we are no where where we would like to be, we have and continue to make tremendous progress. My staff has been working harder and smarter at the same time throughout this pandemic with the best interest of the people of the Virgin Islands at the forefront," he said.