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Software Update Required: COVID-19 Exposes Need for Federal Investments in Technology

The COVID-19 pandemic has highlighted the struggle to provide timely information, resources, benefits, and confidence to citizens in need of help at all levels of government. Congress created critical emergency assistance programs through the **CARES Act**, but many citizens were in limbo for weeks – and some are still waiting – on promised relief caused by antiquated information technology (IT) systems. This has created additional challenges for families who can no longer make ends meet, and it has prevented our already struggling economy from receiving a desperately needed boost from consumer spending. Additionally, federal agencies were forced to act quickly to accommodate the surge in telework amid stay-at-home orders. Remote access, video conferencing, and cloud delivery models are even more relevant now as federal and state governments scramble to fill critical needs, serve the American people, and prevent disease spread.

While the need to modernize is not new, the pandemic has been a powerful accelerant, turning this chronic problem into an acute, urgent need that demands action. On July 15th, the House Budget Committee will hear testimony on the federal government's responsibility to invest in new, modern technology solutions to help citizens better access services, allow agencies to complete their missions, help state and local governments administer federally financed programs, and reduce the total cost to taxpayers.

Agencies' information technology failed to meet citizens' needs in their time of crisis — Congress typically creates emergency unemployment compensation and other stimulus programs to lift the economy out of recession. Due to the unprecedented nature of the COVID-19 pandemic and resulting economic downturn, Federal Pandemic Unemployment Compensation (FPUC), Economic Impact Payments, and the Paycheck Protection Program were larger in size than the more recent, similar programs of the Great Recession. However, the existing infrastructure federal agencies and their state agency partners have to implement these programs and support citizens during emergencies failed due to underinvestment. Antiquated IT systems created a [bottleneck](#) in identifying those that needed help, processing applications, and distributing relief. IT limitations, in fact, played a major role in the [policy design](#) of the FPUC.

The COVID-19 pandemic exposed our long-term technology challenge — The legislative and executive branches have long sought to prioritize modern, secure, and shared IT solutions instead of continuing to invest funds into old, incompatible and ineffective systems. Examples

of ongoing federal IT projects include: easy-to-navigate websites for Social Security recipients, electronic health records, telehealth services, one-stop benefit management systems for veterans, and online applications, forms, and status updates instead of paper-based immigration systems. But funding uncertainty – caused by constrained discretionary funding under budget caps, the threat of sequester, or disruptions to the start of fiscal years – have made agencies more likely to update old systems instead of modernizing. The federal government spent more than $90 billion on unclassified information technology in 2019, with about 80 percent on the operations and maintenance of existing systems. The Government Accountability Office reported in 2016 that the maintenance share of total federal IT spending was increasing and that many of those investments "use outdated software languages and hardware parts that are unsupported."

Ongoing modernization challenges extend far beyond federally owned systems to the technology that the federal government helps support. Those state, local, or even privately owned technologies include state-run information systems that distribute unemployment insurance, nutrition assistance, and other support to workers and families. High speed broadband helps facilitate work and learning. But racial and geographic disparities in access to critical services – exacerbated and exposed by the coronavirus pandemic – would benefit from increased federal involvement to reduce cost and improve access.

Dated systems and a surge in unemployment claims created the perfect technology storm — In one of the first official measures of the pandemic's effect on the economy, initial jobless claims for the week ending March 21st totaled 3.3 million, shattering the previous high of 695,000 claims during a week in October 1982. And claims continued to increase in subsequent weeks: as of early July, more than 35 million Americans – more than one in every five workers – are receiving unemployment insurance or have recently applied. State unemployment offices were unprepared for the influx of workers who needed help, and their systems were inundated. The previous lack of investment in program administration meant IT systems were unable to deliver the support they were designed to give. Decades-old hardware, crashing web servers, and the need to hire programmers proficient in COBOL – Common Business-Oriented Language, a computer programming language created in 1959 – left states scrambling and without resources to update their unemployment applications for the new emergency programs and, ultimately, unable to respond to the millions of Americans in need of help. Given that the level of national administrative funding is essentially the *same* as it was in 2001 – and that is *before* accounting for inflation – this is clearly a failure of government.

Congress must act to accelerate modernization — Congress' immediate responsibility is to help workers, families, and the state and local governments supporting our recovery from this public health emergency and the resulting recession. To do so, the March-enacted **Families First Coronavirus Response Act** included $1 billion in grants to state unemployment offices so that they can increase staffing, update information technology systems, and process claims faster. House Democrats continue to push for relief for families and technological solutions for those adapting to a new stay-at-home, work-from-home, and distance-learning environment. In May,

the House passed the **Heroes Act** to, among other things, extend current emergency programs and also provide $1 billion toward the federal Technology Modernization Fund and a combined $5.5 billion to help schools, libraries, and impacted families access high speed connectivity and devices for distance learning.

This month, House Democrats passed the **Moving Forward Act**, a comprehensive infrastructure package that includes $100 billion in broadband funding to extend high speed internet to underserved and hard to reach communities.

Cutting non-defense discretionary funding won't help citizens access their government, more investment will —Last August, Congress enacted the Bipartisan Budget Act of 2019 (BBA19), setting Congressional budgets for 2020 and 2021. The legislation ended the threat of sequester otherwise required by the Budget Control Act of 2011, avoiding a 10 percent cut to 2020 appropriations – $54 billion of which would have been cut from the non-defense programs that support, enrich, and protect citizens' everyday lives. Those low funding levels would have further hampered Federal IT investments. Because of BBA19, in this year's appropriations process, agencies will be able to improve their IT modernization plans in light of the pandemic so citizens can receive the same level of service from a safe distance, federal employees have the resources and training they need to work remotely, and state and local governments and partners can continue to educate, support, and protect families.

The Budget Committee will explore how the federal government can invest in new and more advanced IT systems and methods to better serve the American people and grow the U.S. economy. Expert witnesses include:

- **Teresa Gerton** – President and CEO, National Academy of Public Administration
- **Jennifer Pahlka** – Founder, Code for America; and Co-Founder, U.S. Digital Response
- **Rebecca Dixon** – Executive Director, National Employment Law Project
- **Robert Wah, MD** – Physician Leader in Healthcare and Technology