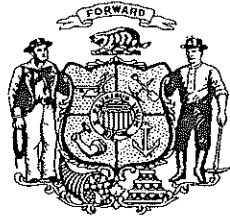


STATE OF WISCONSIN

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Howard Marklein
Representative Mark Born

Date: April 30, 2024

Re: DOA/DWD Report to JFC

Attached is a report on the progress the Department of Workforce Development has made in its project to improve the information technology (IT) system used for processing and paying claims for unemployment insurance (UI) benefits, pursuant to s. 108.14(27), Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

HM:MB:jm



APR 30 2024

J. Finance

State of Wisconsin

Date: April 29, 2024

To: Members of the Joint Committee on Finance and Joint Committee on Information Policy and Technology

From: Department of Administration Secretary-designee Kathy Blumenfeld *Kathy Blumenfeld*

From: Department of Workforce Development Secretary-designee Amy Pechacek *Amy Pechacek*

Subject: 2021 Wisconsin Act 4 Quarterly Report – First Quarter 2024

Pursuant to 2021 Wisconsin Act 4, under Wis. Stat. s. 108.14(27)(e), this report serves to update you on the progress the Department of Workforce Development (DWD) has made on its project to improve the information technology (IT) systems used for processing and paying claims for unemployment insurance (UI) benefits from Jan. 1 to March 31, 2024. We are pleased to share in this report that DWD has continued to make good progress in its UI modernization efforts.

Unemployment Insurance System Modernization

The Unemployment Insurance (UI) Modernization project is the effort to modernize the UI IT systems from a COBOL-based mainframe system to a cloud-based flexible system able to nimbly adapt to changes in the demands on the agency and changes in the program requirements. The goal of this project is to create a more modern, maintainable, sustainable, and adaptable system to meet current and evolving UI needs. Over time, the project will entirely replace the existing, antiquated mainframe, which has limitations in the availability of the system and directly impacts staffing and recruiting resources.

The future UI system will provide end-to-end services to DWD customers (claimants and employers) in a timely manner. DWD staff will be able to administer programs inclusively and efficiently with modern online tools.

Employer Portal

In the last report, DWD announced that it was beginning a new phase of the modernization effort to improve how employers communicate with DWD through an enhanced employer portal. Technological enhancements through this portal will continue to reduce DWD's reliance on outdated methods, such as email, physical correspondence, and phone calls, by creating a modern, streamlined online experience for employers that addresses all their needs in one place.

DWD has an existing employer portal with limited functionality around the submission of tax and wage reports to DWD's UI Division. DWD is enhancing and modernizing its existing portal functionality so the new portal can serve as employers' primary communication platform for all UI operations. For example, the new portal will include the option for employers to securely message UI staff, and upload documentation related to verification requests for previously filed claims and appeals.

During Quarter 4, DWD engaged Google Cloud Professional Services, through Carahsoft Technology Corporation, for this portion of the modernization project. The goal is to create a state-of-the-art web-based and mobile solution that modernizes the current employer portal with the added functionality that improves communication between DWD and its customers for tax and wage reporting, employer information and support, responding to submitted unemployment insurance claims verification, and appeal activities. Some of the most critical items for consideration are secure communication and document sharing to increase efficient collaboration between employers and DWD in the UI program.

During this quarter, DWD and its vendor identified the tasks required to replace the existing portal, enhance its features, and expand its functionality. Technical discovery has been ongoing to ensure that the new product integrates with all the technical solutions employed that result in the processing and payment of unemployment benefits. The planning, discovery, and analysis that has occurred is informing the department's roadmap to the final product.

Claims by County Dashboard

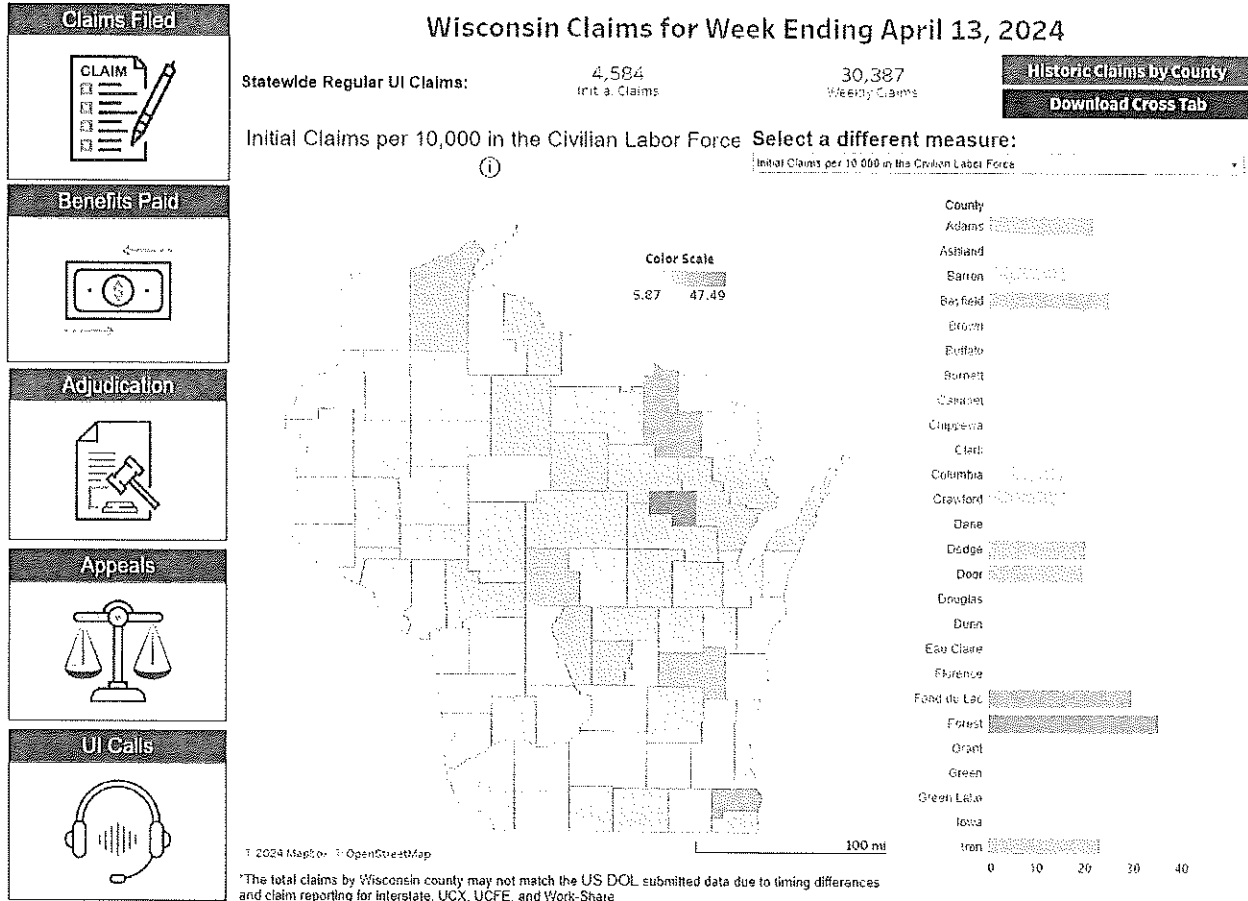
Initially released in May 2022, the UI statistics dashboard provides information on UI claims filed, benefits paid, adjudication, appeals, and help center call metrics. Metrics are updated each Thursday, making up-to-date current and historical UI data available to the public.

By adding the county claims feature to the existing UI statistics dashboard, DWD aims to empower decisionmakers with the data they need to better analyze trends and develop policies tailored to the unique needs of communities across Wisconsin.

Key features of the expanded dashboard include the following measures for both initial claims and weekly claims, summarized by county:

- Total claims;
- Claims per 10,000 in the civilian labor force;
- Claims per the unemployed labor force (as a percentage); and
- Weekly percentage change in claims.

To access the new claims by county statistics, visit the [UI Statistics page](#). Below is a screenshot of the dashboard.



Benefit Calculation and Liability Engine

The benefit calculation and liability engine calculates benefits and pays claimants. As previously reported, DWD is working with the Wisconsin-based company Flexion to develop components of the benefits side of the modernized system. In Quarter 4, system development work with Flexion progressed using the "vertical slice" approach described in [the 2021 Wisconsin Act 4 Quarterly Report – Third Quarter 2023](#). This approach identified the components that need to be developed to accept and process a claim in the modern system. Under this approach, coding work begins for more basic outcomes and that work is then expanded upon to produce code for more complex outcomes over time.

As a reminder, last quarter's work focused on processing straightforward claims and answering the most common questions posed by UI claimants for limited circumstances, such as:

- The status of a claim,
- The amount of the claim,
- Identification and flagging of missing wages, one of the most common issues on a claim, as well as properly holding the payment until that resolution has been cleared, and
- Resolution of that issue on the claim and clearing the payment.

This quarter has focused on the following:

- Centralizing complicated charging information in one location in a more digestible format to enhance the ability for accurate information to be readily available to employers and staff,
- Expanding the toolsets used to provide greater flexibility in the user experience for how information

- is displayed on the screen, while still maintaining the accessibility requirements of the system, and
- Continuing work to resolve issues that may appear on a claim.

Infrastructure & Application Security

During Quarter 1, work focused on data security both in the infrastructure and in the application. In particular, the work focused on enhancements to the security posture and to ensure compliance with guidelines. Through these efforts, the amount of data available in the modern system continues to increase, which is improving the system's overall functionality.

Additional work will continue throughout the duration of this UI system to incrementally improve upon the security and reliability of the system's cloud environment on an ongoing basis.

We hope you find this information helpful. We will provide the next quarterly update on the UI modernization project to you in July 2024. In the meantime, please do not hesitate to contact us with questions.