State of Wisconsin

Date: Oct. 31, 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

From: Department of Workforce Development Secretary-designee Amy Pechacek

Subject: 2021 Wisconsin Act 4 Quarterly Report – Third 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 July 1 to Sept. 30, 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 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 UI 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 is difficult to reprogram to meet changes in state or federal policy and to retain staffing resources knowledgeable in COBOL programming.

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
The goal of this modernization project is to create a state-of-the-art, web-based and mobile solution that modernizes the current employer portal with added functionality to improve communication between DWD and its customers for tax and wage reporting, employer information and support, claims verification questions, and appeal activities. The features in the new employer portal will include secure messaging and document sharing, online form requests, detailed claims tracking/due dates, and enhanced account access capabilities. These modern features will help Wisconsin employers maintain efficiency and flexibility, in a user-friendly format.

During this quarter, DWD and its vendor began the design and development for core components of the modern employer portal. Initial development work focused on the following efforts:
- Establishing foundational system configurations, baseline security, and infrastructure to support both the short- and long-term needs of the development team and the end goal of the system.
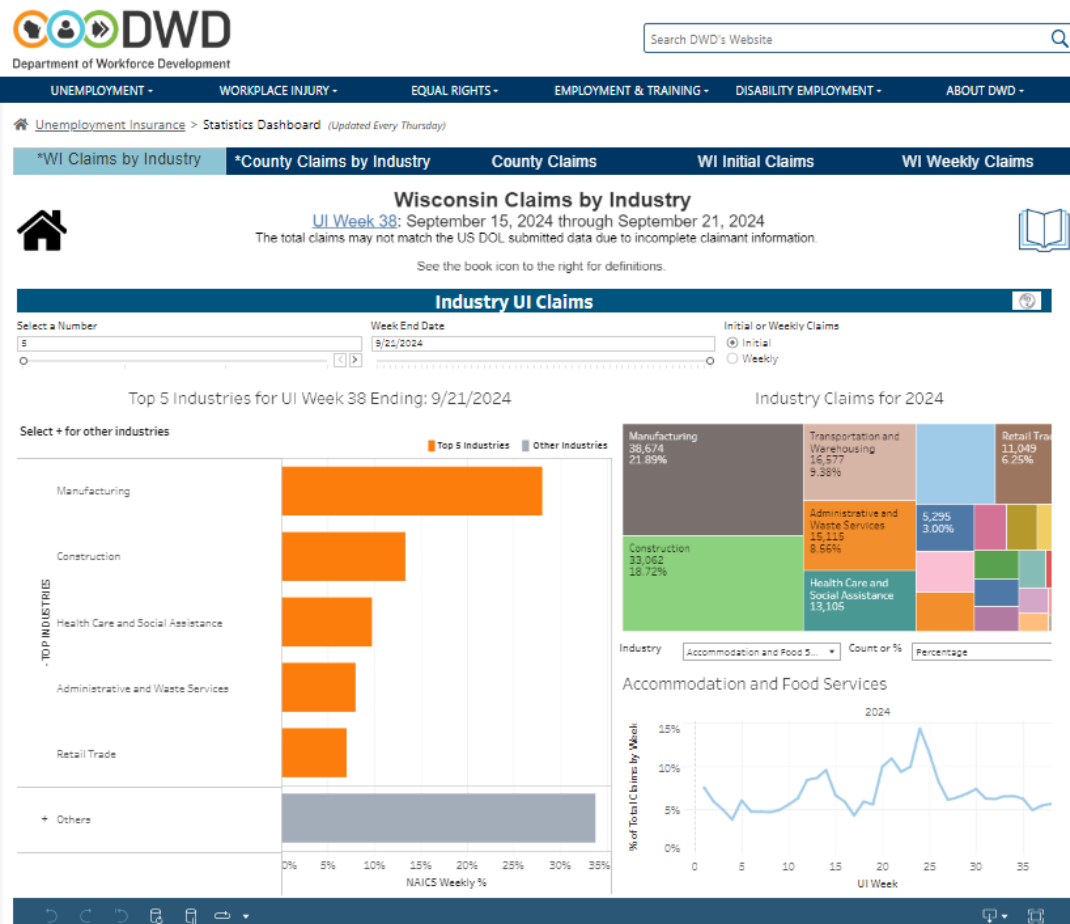
The foundational components must be scalable and adaptable to the increasing complexity of the developing system.
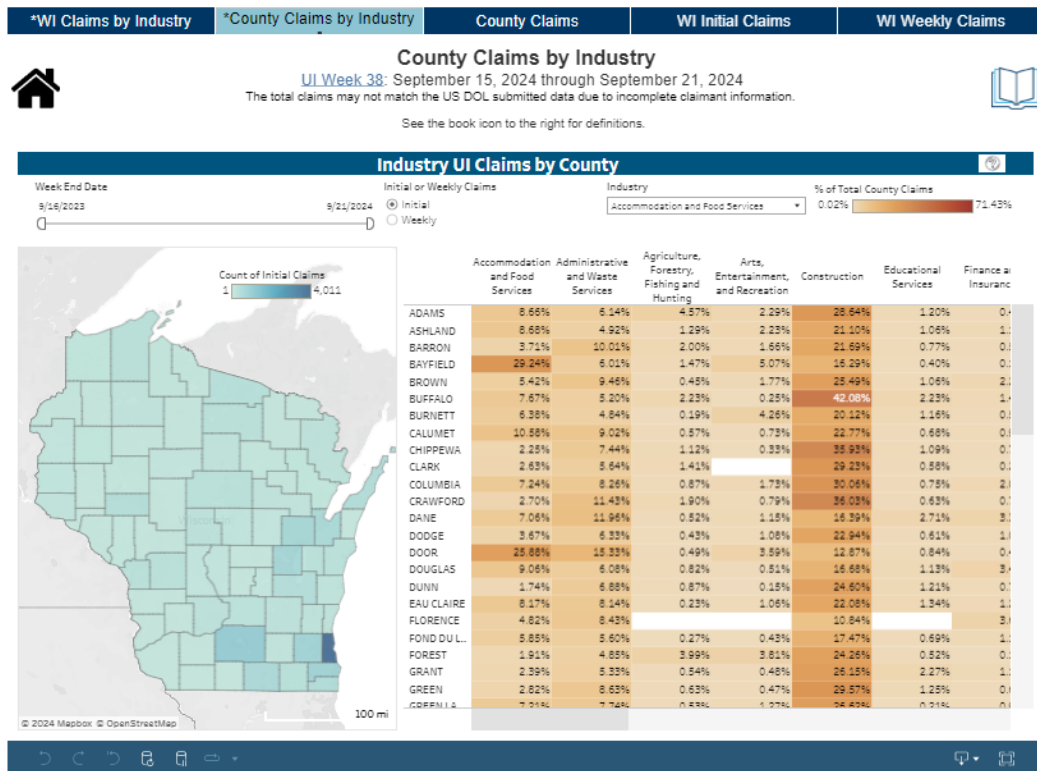
- Establishing the interface connection points between the new portal and the existing sources of information. This is critical groundwork for the integration of the employer portal with the other UI IT systems to ensure employers have access to timely and accurate information.
- Updating the look and feel of the file upload process and the employer registration process, including the addition of dynamic fields to provide employers better access to relevant information and minimize the need for follow-up requests.
- Working on the operational framework to help contextualize individual components for development of the larger UI IT system, ensuring all interactions and product requirements are accounted for.
- Refining and delivering the project roadmap to meet the needs of the end users (employers) of the system. The roadmap takes into consideration mandatory reporting timelines and overall customer service.

Data on Claims by Industry Dashboard

Initially released in May 2022 and expanded in April 2024, the UI statistics dashboard provides useful information on UI claims statewide and by county, benefit payments, adjudication issues, appeals, and help center call metrics. This dashboard has been further enhanced to include interactive displays of UI claims by industry based on the North American Industry Classification System (NAICS) code associated with a claimant's separating employer. Statewide UI claims by industry data can also be filtered by one or multiple counties.

To access the new claims by industry dashboards, visit the UI Statistics page. Provided below are screenshots of the statewide claims by industry and county claims by industry displays.

County Claims by Industry
UI Week 38: September 15, 2024 through September 21, 2024
The total claims may not match the US DOL submitted data due to incomplete claimant information.

See the book icon to the right for definitions.

Industry UI Claims by County

Week End Date: 9/16/2023 — 9/21/2024
Initial or Weekly Claims: ● Initial ○ Weekly
Industry: Accommodation and Food Services
% of Total County Claims: 0.02% — 71.43%

Count of Initial Claims: 1 — 4,011

	Accommodation and Food Services	Administrative and Waste Services	Agriculture, Forestry, Fishing and Hunting	Arts, Entertainment, and Recreation	Construction	Educational Services	Finance and Insuranc..
ADAMS	8.66%	6.14%	4.57%	2.29%	28.64%	1.20%	0.
ASHLAND	8.68%	4.92%	1.29%	2.23%	21.10%	1.06%	1.
BARRON	3.71%	10.01%	2.00%	1.66%	21.69%	0.77%	0.
BAYFIELD	29.24%	6.01%	1.47%	5.07%	16.29%	0.40%	0.
BROWN	5.42%	9.46%	0.45%	1.77%	25.49%	1.06%	2.
BUFFALO	7.67%	5.20%	2.23%	0.25%	42.08%	2.23%	1.
BURNETT	6.38%	4.84%	0.19%	4.26%	20.12%	1.16%	0.
CALUMET	10.88%	9.02%	0.57%	0.73%	22.77%	0.68%	0.
CHIPPEWA	2.25%	7.44%	1.12%	0.33%	35.93%	1.09%	0.
CLARK	2.63%	5.64%	1.41%		29.23%	0.88%	0.
COLUMBIA	7.24%	8.26%	0.87%	1.73%	30.06%	0.75%	2.
CRAWFORD	2.70%	11.43%	1.90%	0.79%	36.03%	0.63%	0.
DANE	7.06%	11.96%	0.52%	1.15%	16.39%	2.71%	3.
DODGE	3.67%	6.33%	0.43%	1.08%	22.94%	0.61%	1.
DOOR	25.88%	15.33%	0.49%	3.59%	12.87%	0.84%	0.
DOUGLAS	9.06%	6.08%	0.82%	0.51%	16.68%	1.13%	3.
DUNN	1.74%	6.88%	0.87%	0.15%	24.60%	1.21%	0.
EAU CLAIRE	8.17%	8.14%	0.23%	1.06%	22.08%	1.34%	1.
FLORENCE	4.82%	8.43%			10.84%		3.
FOND DU L..	5.85%	5.60%	0.27%	0.43%	17.47%	0.69%	1.
FOREST	1.91%	4.85%	3.99%	3.81%	24.26%	0.52%	0.
GRANT	2.39%	5.33%	0.54%	0.48%	26.15%	2.27%	1.
GREEN	2.82%	8.63%	0.63%	0.47%	29.57%	1.25%	0.
GREEN LA..	7.21%	7.74%	0.53%	1.27%	34.62%	0.31%	0.

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Integration with Governmental Liaison Data Exchange Program

In an effort to reduce manual intervention through all of the unemployment insurance process, DWD has implemented an integration with the Governmental Liaison Data Exchange Program to replace manual review of federal data shared with UI. This improvement aids compliance with strict federal requirements in a timely manner and ensures compliance with certain collections. For example, this integration will stop collections from individuals serving in active duty, which is one requirement of the Servicemembers' Civil Relief Act.

COBOL-based UI System Replacement

DWD launched its comprehensive overhaul of the outdated COBOL-based UI system in September 2021 through a contract with Madison-based Flexion, which concluded in early July 2024. With Flexion, DWD established a secure cloud infrastructure, implemented additional security protocols, identified dependencies within the mainframe to avoid customer disruptions, and developed a benefits calculation engine that accounts for many of the complex rules associated with Wisconsin's UI eligibility requirements.

The department is now moving toward the build-out, integration, testing, and deployment of a fully modern UI system with Google Public Sector. Whereas the work with Flexion focused on monetaries on the benefits side, the discovery with GPS entails all aspects of the UI IT system: benefits payments, employer portal, adjudication and appeals, tax and wage reporting, quality assurance, and correspondence. DWD will take advantage of rapidly evolving technology to accelerate development of code and deliver performance features that continue Wisconsin's leadership in UI customer service.

The team has spent the third quarter in discovery to identify the full scope of work. Next steps include completing the comprehensive review of all requirements and establishing a roadmap and plan to continue the progress of the modernization efforts.

We hope you find this information helpful. We will provide the next quarterly update on the UI modernization project to you in January 2025. In the meantime, please do not hesitate to contact us with questions.

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