



# State of Wisconsin

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Date: July 27, 2022

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*

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

Subject: 2021 Wisconsin Act 4 Quarterly Report – Second Quarter 2022

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 update the information technology (IT) systems used for processing and paying claims for unemployment insurance (UI) benefits from April 1 through June 30, 2022. We are pleased to share in this report that DWD has continued to make good progress in its UI modernization efforts.

## **Cloud Based Contact Center**

As previously reported, DWD's first step in undertaking UI system modernization was the purchase of an integrated cloud-based communications and messaging center that offers seamless integration of a telephony system with enhanced features and reporting solutions. DWD contracted with Nice CXone, a cloud-based Customer Contact Center, through the NASPO ValuePoint Contract to provide call center services. Effective during this reporting period, DWD finalized implementation of the communications and messaging center with an integrated artificial intelligence (AI) component that answers frequently asked questions after hours. The modernized call center services are fully operational and are currently in a maintenance mode to make continuous improvements. The Department will continue to evaluate the programming and make updates as appropriate.

DWD used federal funds for the purchase of the cloud-based communications and messaging center. Governor Evers has directed \$80 million of American Rescue Plan Act (ARPA) funds to ensure that the UI modernization project is fully funded.

## **Unemployment Insurance System Modernization**

The Unemployment Insurance (UI) Modernization is the effort to modernize the UI IT systems from a COBOL-based mainframe system to a cloud-based flexible system able to nimbly adopt 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, adaptable system to meet the current and changing 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.

As previously reported, DWD has been working with Wisconsin-based Flexion to develop many of the early components of a modernized system. We are taking a two-pronged approach to our work with Flexion: 1) To establish a cloud-based infrastructure that is modern, secure, and flexible enough to meet the changing demands; and 2) To begin development work to incrementally move the processing of claims from the legacy system to the modern solution in an agile and iterative approach. This approach allows for continuous improvement of the overall development process to ensure each phase of development meets the needs of the UI programs. During this reporting period, the development has focused on creating a working estimation screen for UI benefits that develops working software prototypes and the connection between the mainframe and modern systems. The estimation screen is used as a calculator to estimate a claimant's benefits based on limited wage information, which refers to system-available wage information or manually entered wage information.

The development team has been working on the first iteration of a validator, which will be introduced as part of the estimation screen. The validator will compare the information from the modern system to the legacy system to determine the accuracy of the modernized system to the legacy system. The modern estimator tool establishes the core calculation engine that will perform the calculations for the UI claimant's benefits and correctly charge employers. The core calculation engine will continue to grow incrementally until it can perform all complex benefit calculations. The work on the calculation engine is fundamental to the development of a working UI system. Establishing this calculation engine, while one of the most challenging elements, will create the foundation on which everything else will be built.

The core elements of the estimation screen were developed during the second quarter of 2022. The working prototype of the calculations is functioning in a user test environment. In the coming quarter, the team will work to finalize the infrastructure, enhance the functionality to include prior claims, and complete the validator. Upcoming development related to security and vulnerability perspectives will also be completed in preparation of the validator and estimation screen being put into full production. Until the estimation screen is operationally deployed, UI staff will be able to test and validate the results within the user test estimation screen as part of our iterative, agile model of system development that allows for continuous improvement throughout the process.

During the last quarter, the following items were completed:

- Infrastructure:
  - Developed an initial vulnerability response plan to address initial setup, processes, and policies for changes, and templates to support any findings.
  - Built out an automated workflow for building, scanning, attesting, approval, and deployment of software in a test environment. This step is essential for secure and smooth production and deployment practices.
  - Established a working proof of concept for a communication between the modern estimation screen under development and the legacy system.
  - Established security baselines and began to establish procedures and protocols.
- Data:
  - Developed a playbook that establishes practices and procedures for the de-identification of data, the process for extracting data from the current legacy DB2 database, and maintaining that data in a modern database. This is to keep claimant and employer information secure in the new data model.

- Established the foundational design and implementation of data storage in DWD's cloud platform.
- Developed a working model of the existing data to support the initial development.
- User Experience:
  - Conducted user experience efforts to identify opportunities and process improvements for calculating a benefit and applying the charging to employers. This work, a continuation of work from the previous quarter, identified ways to meet the program requirements in efficient manner, while making it easy for staff to use for staff.
  - Established consistent design patterns across the projects.

In addition to completing phases of the cloud-based contact center, the AI chatbot, and the work with Flexion since our last report, DWD is also proud to share that it has expanded access to Spanish-speaking claimants as part of its efforts to meet the needs of customers and enhance online services. The online unemployment claimant portal and initial claim application are now available in Spanish. Spanish-speaking claimants can now:

- File an initial claim application any time the system is available.
- View UI initial claim information.
- Update payment and withholding information.
- File an appeal.
- Print benefit summary statements.
- Enroll for and view secure messages.
- Set a language preference for communication and receive translated documents.
- Claimants may access the Spanish version of the claims portal by selecting the "Español" link on the [logon page](#). Previously, we only provided access to these services to people whose preferred language is not English through in-person or phone interpretation and online claims filing in Spanish.
- Folks can still get assistance over the phone.

These expanded services build on DWD's past efforts, which include an upgraded UI claims portal that features better functionality and new features, including secure document upload, a message center for direct communication from claims specialists and adjudicators, text notifications, a mobile-friendly design, and the option to request accommodations related to a disability for an appeal. DWD also made it easier to file for UI benefits by updating the language for both its initial and weekly UI claim applications to feature "plain language" as much as possible.

DWD also released a [new UI dashboard](#) that provides insight into the strength of Wisconsin's economic recovery from the COVID-19 downturn. For example, the new dashboard shows how the claim volume during 2020 eclipsed the past 36 years, including the years known as the "Great Recession," and how the recovery has reduced the number of unemployed people filing claims.

We hope you find this information helpful. We will provide the next quarterly update on the UI modernization project to you in October 2022. In the meantime, please do not hesitate to contact us with any questions.