

Report 20-13
September 2020

Unemployment Insurance Call Centers

Department of Workforce Development

STATE OF WISCONSIN



Legislative Audit Bureau ■

Unemployment Insurance Call Centers

Department of Workforce Development

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Joe Chrisman
State Auditor

September 25, 2020

Senator Robert Cowles and
Representative Samantha Kerkman, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Cowles and Representative Kerkman:

Under the provisions of 2019 Wisconsin Act 185, we have completed a review of the Department of Workforce Development's (DWD's) management of the Unemployment Insurance (UI) program's call centers, through which some individuals file initial claims for unemployment benefits.

DWD operates one call center, and two entities under contract with DWD operate two additional call centers. In recent years, DWD has allowed more individuals to file online their initial claims. Individuals may file through a call center only if, for example, they do not have internet access or their claims are based on having worked in Wisconsin and another state.

From March 15, 2020, through June 30, 2020, 38.3 million of the 41.1 million total telephone calls (93.3 percent) to the call centers were blocked or received busy signals and, therefore, did not reach the call centers; 6.2 percent of calls were abandoned by individuals before speaking with the call centers; and 0.5 percent of calls were answered.

From March 15, 2020, through July 31, 2020, DWD's expenditures for staff at the three call centers totaled \$9.3 million. Over this time period, DWD increased its call center staff from 90 to 188. DWD contractually required one entity to provide at least 500 full-time equivalent staff positions in that entity's call center, which began answering calls on May 20, 2020. However, not until the week of July 19 were that many positions working in that call center.

From April 26, 2020, through August 22, 2020, only 6.6 percent of all initial claims were filed by individuals telephoning the call centers. Therefore, the extent to which individuals were unable to speak with the call centers explains only one reason why some individuals did not receive unemployment benefits in a timely manner. In future audit work, we will consider other aspects of DWD's management of the program.

We appreciate the courtesy and cooperation extended to us by DWD. A response from DWD follows our report.

Respectfully submitted,


Joe Chrisman
State Auditor

JC/DS/ss

Unemployment Insurance Call Centers ■

2019 Wisconsin Act 185, which was enacted in April 2020, requires the Legislative Audit Bureau to use risk-based criteria to review selected programs affected by Act 185 and selected expenditures made with funds authorized by Act 185. At this time, we have completed a review of the Department of Workforce Development's (DWD's) management of the Unemployment Insurance (UI) program's call centers, through which some individuals file initial claims for unemployment benefits. DWD operates one call center, and two entities under contract with DWD operate two additional call centers. We previously evaluated similar issues in *Initial Claims Processing for Unemployment Insurance* (report 14-15).

DWD administers the UI program, which pays monetary benefits to certain individuals who have lost their jobs.

DWD administers the UI program, which pays monetary benefits to certain individuals who have lost their jobs. To be eligible to receive these benefits, an individual typically must:

- have been employed in Wisconsin and provide a valid Social Security number;
- have earned a minimum amount of wages from eligible employment in at least two of the previous five calendar year quarters; and
- not have been terminated for cause or quit employment, although statutes allow exceptions for an individual to receive benefits after quitting employment, such as because child care was unavailable.

After individuals file initial claims for unemployment benefits and are found by DWD to be eligible to receive such benefits, they must file weekly claims to continue receiving them. Currently, individuals receive from \$54 to \$370 per week in regular unemployment benefits.

In March 2020, the federal *Coronavirus Aid, Relief, and Economic Security* (CARES) Act created additional unemployment benefits, including those provided through the:

- Federal Pandemic Unemployment Compensation program, which automatically paid individuals who received regular benefits an additional \$600 per week from March 29, 2020, through July 25, 2020;
- Pandemic Unemployment Assistance program, which provides up to 39 weeks of benefits from February 2, 2020, through December 26, 2020, to certain individuals, such as self-employed individuals, who are ineligible for benefits provided through other UI programs; and
- Pandemic Emergency Unemployment Compensation program, which provides an additional 13 weeks of unemployment benefits from March 29, 2020, through December 26, 2020, to certain individuals who remain unemployed after their regular benefits end.

In recent years, DWD modified its IT systems to allow more individuals to file online their initial claims for unemployment benefits.

In recent years, DWD modified its information technology (IT) systems to allow more individuals to file online their initial claims for unemployment benefits. In November 2014, DWD indicated that it began to allow individuals to file claims by using mobile devices and to report their work histories with federal and military employers. DWD indicated that the proportion of initial claims that were both started and completed online increased from 57.0 percent from November 2013 through June 2014 to 81.0 percent from November 2014 through April 2015. DWD indicated that it stopped using an automated telephone filing system in August 2017 because most individuals were able to file online. DWD also indicated that it allowed individuals to use a toll-free telephone number to file their claims beginning in January 2020.

From March 2019 through June 2019, individuals filed an average of approximately 4,700 initial claims for unemployment benefits each week. From March 15, 2019, through June 30, 2019, individuals made a total of 88,552 telephone calls to the program's call center. DWD indicated that none of these calls was blocked.

To complete this evaluation of DWD's management of the call centers from March 2020 through August 2020, we interviewed DWD and

analyzed its data and other information on the number of initial claims for unemployment benefits, the number of telephone calls to the program’s call centers, and staffing levels at these call centers. We also reviewed DWD’s contracts with the two entities that operated call centers, weekly reports DWD submitted to the co-chairpersons of the Joint Legislative Audit Committee beginning on May 8, 2020, and publicly available information about call centers in six other midwestern states, each of which administers its UI program under the laws and regulations of that state.

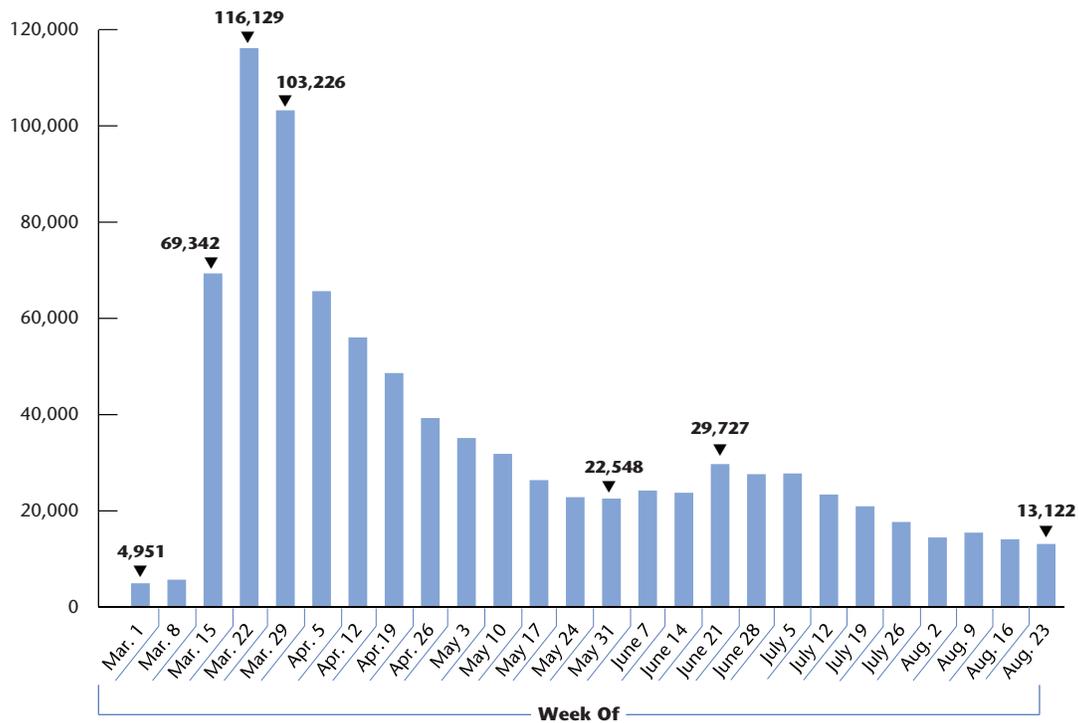
Initial Claims for Unemployment Benefits

The number of initial claims filed for unemployment benefits each week increased significantly in March 2020.

We analyzed information that DWD posted on its website about the number of initial claims for unemployment benefits that individuals filed from the week of March 1, 2020, through the week of August 23, 2020. As shown in Figure 1, the number of initial claims filed increased significantly in March 2020. During the week of March 22, 2020, individuals filed 116,129 claims, which was the most in a given week during our review period. The number of initial claims declined to 13,122 during the week of August 23, 2020.

Figure 1

Number of Initial Claims Filed for Unemployment Benefits, by Week¹



¹ According to information on DWD’s website.

DWD requires most individuals to file online for unemployment benefits. Individuals may file through a call center only if they meet certain requirements, such as if they do not have internet access or if they cannot file online because, for example, their claims are based on having worked in Wisconsin and another state.

From April 26, 2020, through August 22, 2020, DWD reported that 93.4 percent of all initial claims were filed online.

According to information that DWD reported weekly to the co-chairpersons of the Joint Legislative Audit Committee, 93.4 percent of all initial claims were filed online from April 26, 2020, through August 22, 2020, as shown in Table 1. The remaining 6.6 percent were filed by telephoning the call centers.

Table 1

Initial Claims for Unemployment Benefits, by Filing Method¹
 April 26, 2020, through August 22, 2020

Filing Method	Number	Percentage of Total
Online	389,461	93.4%
Call Centers	27,379	6.6
Total	416,840	100.0%

¹ As reported by DWD to the co-chairpersons of the Joint Legislative Audit Committee.

Program Call Centers

Before May 20, 2020, DWD operated the program’s only call center. Beginning on that date, all calls to the program’s general telephone number that is provided to the public were routed to a call center operated by Alorica, which is a firm under contract with DWD. Beginning on June 1, 2020, all calls to a separate telephone number that is provided to the public for the Pandemic Unemployment Assistance program were routed to a call center operated by Beyond Vision, which is a nonprofit entity under contract with DWD.

We analyzed DWD’s data on the particular reasons for telephone calls answered by the program’s three call centers. These reasons include:

- inquiring about the program by individuals, including those asking about their eligibility for the program;
- filing initial claims for unemployment benefits;

- following up on issues related to filing weekly claims for unemployment benefits;
- requesting assistance to access the online accounts that individuals use to file claims;
- filing weekly claims for unemployment benefits;
- inquiring about the Pandemic Unemployment Assistance program, including individuals asking about their eligibility for the program and filing claims under the program;
- inquiring about the program by employers; and
- requesting assistance from translators to file claims for unemployment benefits.

From March 15, 2020, through June 30, 2020, 41.6 percent of all telephone calls to the program's three call centers pertained to program inquiries.

As shown in Table 2, 41.6 percent of all telephone calls answered by the program's three call centers from March 15, 2020, through June 30, 2020, pertained to program inquiries, which include reasons for telephone calls that did not fit into the other categories. In addition, 12.7 percent of all telephone calls pertained to filing initial claims for unemployment benefits.

Table 2

Number of Answered Calls to Program Call Centers, by Purpose¹
March 15, 2020, through June 30, 2020

Purpose	Number	Percentage of Total
Inquiring about the program	93,861	41.6%
Filing initial claims	28,728	12.7
Following up on issues related to weekly claims	25,059	11.1
Accessing online accounts	24,000	10.6
Inquiring about the Pandemic Unemployment Assistance program	19,687	8.7
Filing weekly claims	19,329	8.6
Inquiring about the program by employers	12,684	5.6
Requesting translation assistance	2,516	1.1
Total	225,864	100.0%

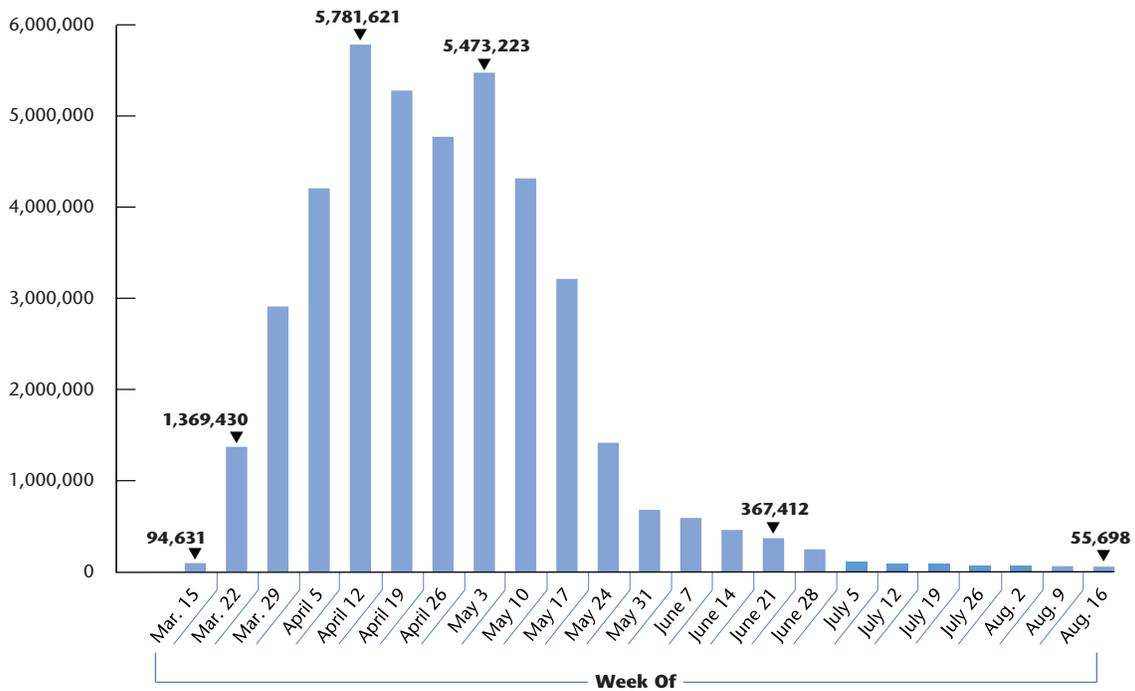
¹ According to DWD's data.

During the week of April 12, 2020, 5.8 million telephone calls were made to the program’s call center.

We analyzed DWD’s data on the number of telephone calls to the call centers from the week of March 15, 2020, through the week of June 21, 2020. We also reviewed but did not independently confirm the accuracy of summary information that DWD reported to the co-chairpersons of the Joint Legislative Audit Committee from the week of June 28, 2020, through the week of August 16, 2020. As shown in Figure 2, 5.8 million telephone calls were made to the program’s call center during the week of April 12, 2020. The number of telephone calls declined after early-May 2020.

Figure 2

Telephone Calls to Program Call Centers, by Week¹



¹ According to DWD’s data through the week of June 21. Thereafter, according to summary information that DWD reported to the co-chairpersons of the Joint Legislative Audit Committee.

Call Disposition

If all call center staff were busy, some individuals who telephoned were placed on hold in queues, which DWD typically limited in size in order to prevent individuals from waiting for extended periods of time. Individuals could request to be called back when they reached the front of the queues, rather than remaining on hold. If individuals placed on hold hung up before speaking with call center staff, DWD considered these telephone calls to have been abandoned. If more

telephone calls were received than the number of available spots in a queue, those calls were blocked, and the individuals were instructed to telephone again later. If more telephone calls were received than a given call center's telephone system could register, individuals received a busy signal. DWD does not define telephone calls that resulted in busy signals to have been blocked. However, in our analysis we combined the telephone calls that were blocked and the telephone calls that resulted in busy signals because the individuals were unable to reach the call centers.

DWD is able to adjust the capacity of its call center to handle different numbers of telephone calls. As of early-March 2020, its call center could handle 225 telephone calls simultaneously, including individuals speaking with staff and individuals placed on hold. DWD reported that it received more than 1.5 million telephone calls during the week of March 22, 2020. On March 26, DWD increased the capacity of the call center to handle 690 telephone calls simultaneously.

From March 15, 2020, through June 30, 2020, 38.3 million of the 41.1 million telephone calls (93.3 percent) to the program's call centers were blocked or resulted in busy signals.

We analyzed DWD's data to determine the number of telephone calls that were blocked or resulted in busy signals, were abandoned, and were answered. As shown in Table 3, 38.3 million of the 41.1 million total telephone calls (93.3 percent) to the program's call centers were blocked or resulted in busy signals from March 15, 2020, through June 30, 2020, and 0.5 percent of all telephone calls were answered.

Table 3

Number of Telephone Calls to Program Call Centers, by Disposition¹
March 15, 2020, through June 30, 2020

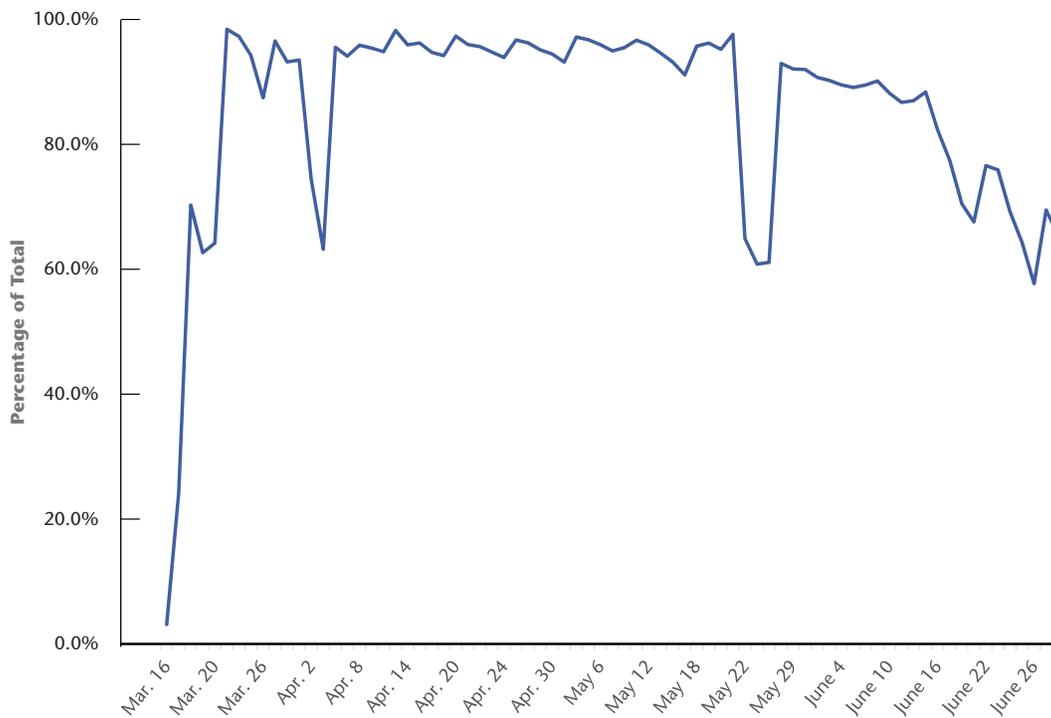
Disposition	Number	Percentage of Total
Blocked or Busy Signals	38,317,664	93.3%
Abandoned	2,543,065	6.2
Answered	225,864	0.5
Total	41,086,593	100.0%

¹ According to DWD's data.

As shown in Figure 3, almost all telephone calls to the program’s call centers were blocked or resulted in busy signals each day from late-March 2020 through May 2020. Most of the remaining calls were abandoned. On almost all days in April 2020 and May 2020, less than 1.0 percent of all calls were answered. Beginning in June 2020, the proportion of telephone calls that were blocked or resulted in busy signals declined, and DWD reported that few calls were blocked or resulted in busy signals in August 2020. DWD provided us with summary information indicating that the program’s call centers received 55,698 telephone calls during the week of August 16, 2020, and it indicated that none of them was blocked or resulted in busy signals.

Figure 3

Extent to Which Telephone Calls to Program Call Centers Were Blocked or Resulted in Busy Signals, by Day¹



¹ According to DWD’s data.

DWD's weekly reports to the co-chairpersons of the Joint Legislative Audit Committee did not indicate the total number of telephone calls in which individuals were unable to reach the call centers.

Beginning on May 8, 2020, DWD reported to the co-chairpersons of the Joint Legislative Audit Committee on the weekly numbers of telephone calls that were blocked, abandoned, and answered. However, DWD did not report on the number of telephone calls that resulted in individuals receiving busy signals. From April 26, 2020, through June 27, 2020, DWD reported that 4.9 million telephone calls were blocked. However, we found that over this time period a total of 19.6 million telephone calls were either blocked or resulted in busy signals. Individuals were unable to reach the call centers if their telephone calls were blocked or they received busy signals.

DWD should modify its weekly reports to indicate the total number of telephone calls in which individuals were unable to reach the call centers, including telephone calls that were blocked and telephone calls that resulted in busy signals. Doing so will provide the co-chairpersons with complete information.

Recommendation

We recommend the Department of Workforce Development:

- *include in its weekly reports to the co-chairpersons of the Joint Legislative Audit Committee the total number of telephone calls to Unemployment Insurance program call centers that resulted in individuals being unable to reach the call centers, including telephone calls that were blocked and telephone calls that resulted in busy signals; and*
- *report to the Joint Legislative Audit Committee by January 8, 2021, on its efforts to implement this recommendation.*

Records Disposition Authorization

DWD retains certain call center data for only six months.

We found that DWD retains certain call center data for only six months. In response to our request for data from mid-March 2019 through June 2019, DWD indicated that it retained data on blocked telephone calls for only six months. DWD indicated that it retains reports about blocked calls according to a general records schedule that requires it to retain all reports shared with other entities for at least four years, but that does not require it to retain the data associated with these reports.

DWD should develop a records disposition authorization pertaining to all data associated with telephone calls to program call centers and submit it to the Public Records Board for consideration. An appropriate period of time to retain such data may be at least four years, which is the length of time that DWD retains reports about blocked calls. Retaining such data will allow DWD to better manage the program. Until the Public Records Board approves a records disposition authorization pertaining to data associated with telephone calls to the program's call centers, DWD is required to retain all such data.

Recommendation

We recommend the Department of Workforce Development

- *develop a records disposition authorization pertaining to data associated with telephone calls to Unemployment Insurance program call centers and submit it to the Public Records Board for consideration; and*
- *report to the Joint Legislative Audit Committee by January 8, 2021, on its efforts to implement this recommendation.*

Call Wait Times

From March 15, 2020, through June 30, 2020, individuals waited on hold for an average of 52.2 minutes before speaking with DWD's call center.

We determined the average amount of time that individuals waited on hold before speaking with the program's call centers for the period from March 15, 2020, through June 30, 2020. As shown in Table 4, individuals waited on hold for an average of 52.2 minutes before speaking with DWD's call center. After waiting on hold, individuals spoke with:

- DWD's call center for an average of 11.7 minutes each;
- Alorica's call center for an average of 15.4 minutes each, including the amount of time that individuals spent within the firm's telephone menu system; and
- Beyond Vision's call center for an average of 8.4 minutes each.

Table 4

**Average Number of Minutes That Individuals Waited on Hold
Before Speaking with Program Call Centers¹**

March 15, 2020, through June 30, 2020

Call Center Operator	Number of Minutes
DWD	52.2
Alorica	24.5
Beyond Vision	0.5

¹ According to DWD's data.

DWD directed Alorica and Beyond Vision to schedule appointments for individuals to speak with its call center when more-complex issues needed to be resolved, such as correcting information erroneously reported by individuals and processing claims from individuals who had worked in multiple states. DWD also directed the two entities to do so if individuals were dissatisfied and asked to speak with a manager. From May 20, 2020, through June 30, 2020, the two entities scheduled a total of 15,844 appointments with DWD's call center, and these appointments were scheduled to occur an average of 3.3 days after the initial telephone calls.

Call Center Staffing

From March 15, 2020, through July 31, 2020, DWD's expenditures for staff at the program's three call centers totaled \$9.3 million.

From March 15, 2020, through July 31, 2020, DWD's expenditures for staff at the program's three call centers totaled \$9.3 million, including \$6.3 million for Alorica and Beyond Vision staff and \$3.0 million for DWD call center staff. The amounts paid to Alorica and Beyond Vision include \$1.5 million for staff training. High turnover among Alorica staff resulted in increased training expenditures.

DWD's Call Center

DWD increased its call center staff from 90 on March 31, 2020, to 188 on July 31, 2020.

As shown in Table 5, DWD increased its call center staff from 90 on March 31, 2020, to 188 on July 31, 2020. The increase occurred primarily because DWD hired additional full-time staff and limited-term employees (LTEs) to work in its call center. DWD also temporarily reassigned other DWD staff and staff from other state agencies to work in its call center.

Table 5

Number of Staff in DWD’s Call Center
 March 31, 2020, through July 31, 2020

	DWD Call Center Staff	Other DWD Staff	Other State Agency Staff	Total
March 31	61	29	0	90
April 30	59	29	6	94
May 31	95	29	7	131
June 30	149	29	7	185
July 31	136	29	23	188

As shown in Table 6, DWD hired a total of 98 call center staff from March 15, 2020, through July 31, 2020, including 56 LTEs. DWD began recruiting for these positions on March 23, 2020, but indicated that it needed time to review the 850 applications it received, conduct interviews, and perform background checks. DWD indicated that the hired staff received four weeks of training and, thus, were not ready to answer calls until June 8, 2020. Statutes allow LTEs to work a maximum of 1,040 hours. DWD indicated that it planned to hire additional individuals into project positions, which can last for up to four years, in order to maintain the necessary staffing levels at its call center.

Table 6

Number of Staff Hired to Work in DWD’s Call Center¹
 March 15, 2020, through July 31, 2020

Date Hired	Permanent Staff	LTEs	Total
May 11	18	6	24
May 26	7	10	17
June 8	17	18	35
June 22	0	22	22
Total	42	56	98

¹ DWD did not hire any call center staff from March 15, 2020, through May 10, 2020.

DWD increased the number of hours per week that the program's call centers were available to help individuals to file claims.

As shown in Table 7, DWD increased the number of hours per week that the program's call centers were available to help individuals to file claims. DWD indicated that if individuals were on hold when its call center closed on a given day, staff worked overtime to speak with all of these individuals. DWD's data indicated that individual full-time staff at its call center worked an average of 1.6 hours of overtime per week from March 15, 2020, through July 31, 2020, and that such individuals were paid a total of \$131,900 in salary and fringe benefits costs for overtime over this 4.5-month period.

Table 7

Hours That Telephone Calls Were Answered by the Program's Call Centers¹

Time Period	Weekdays	Saturday	Total Hours per Week
March 15 through May 19	7:35 a.m. until 3:30 p.m.	None	39.58
May 20 through July 5	7:00 a.m. until 5:00 p.m.	None	50.00
July 6 through August 31	6:15 a.m. until 5:30 p.m.	7:00 a.m. until 1:30 p.m.	62.75

¹ Indicates the maximum number of hours that at least one call center was open on a given day.

DWD indicated that it did not have sufficient staff to increase call center hours until Alorica staff were available on May 20, 2020, and that it did not have sufficient staff to open its call center on Sundays. We found that from March 15, 2020, through August 22, 2020, 41,239 individuals filed initial claims on Saturdays, compared to 99,277 individuals who did so on Sundays. DWD indicated that it did not plan to further increase its call center's hours, which it believes are now sufficient.

Other Call Centers

Concerns have been raised that DWD did not contract quickly enough with other entities to help answer telephone calls from individuals filing claims. Table 8 shows a timeline of events pertaining to DWD's efforts to contract with Alorica for call center services.

Table 8

Alorica Contract Development
Timeline of Key Events

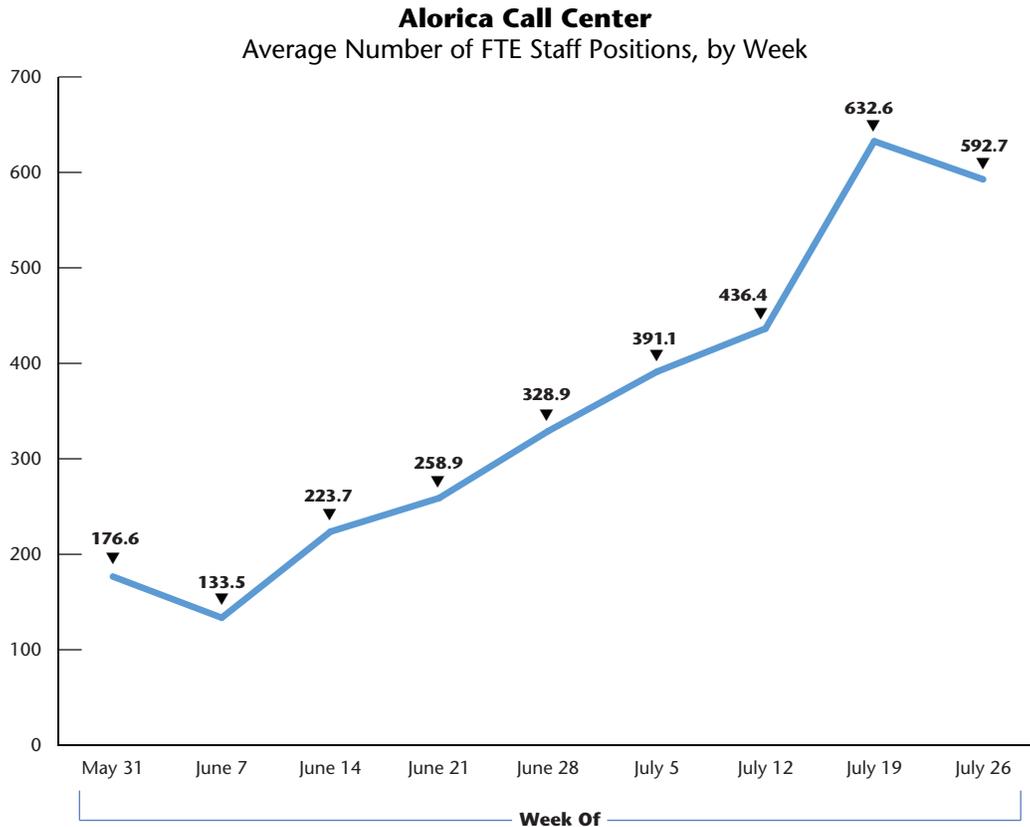
Date	Event
Week of March 15	94,600 telephone calls were made to DWD’s call center.
Week of March 29	2,908,500 telephone calls were made to DWD’s call center.
April 9	DWD requested that the Department of Administration (DOA) waive the competitive bidding process so that it could more quickly execute a contract.
April 16	DOA waived the competitive bidding process.
April 20	DWD issued a request for bid.
April 23	Responses to DWD’s request for bid were due.
May 7	DWD executed its contract with Alorica.
May 20	Alorica’s call center began answering telephone calls.

DWD contractually required Alorica to provide at least 500 full-time equivalent (FTE) staff positions. DWD did not contractually specify the date when Alorica needed to provide these positions, but it contractually required Alorica to provide the supervision and administrative support necessary to operate a call center of this size by May 21, 2020. DWD indicated that its contract contains no provisions for assessing monetary penalties because it needed to quickly execute the contract, and it believed that Alorica would comply with the contract to avoid a negative performance review.

Not until the week of July 19 did more than a daily average of 500 FTE staff positions work in Alorica’s call center.

Figure 4 shows the average daily number of FTE staff positions in Alorica’s call center. Not until the week of July 19 did more than a daily average of 500 FTE staff positions work in the call center. DWD indicated that it took time to provide Alorica’s call center staff with access to its IT systems, and that it was busy with other tasks, such as increasing the number of staff in its own call center and providing them with training and access to its IT systems.

Figure 4



DWD did not require Alorica or Beyond Vision to provide it with certain contractually required information on the effectiveness of their call centers.

We found that DWD did not require Alorica or Beyond Vision to provide it with certain contractually required information on the effectiveness of their call centers. DWD contractually required both entities to report on the extent to which they resolved issues after the initial telephone calls of individuals. However, DWD indicated that the entities did not collect this information, and that it did not regard this information as useful because some individuals may repeatedly telephone in order to try to obtain favorable answers.

DWD should enforce the provisions in its contracts with Alorica and Beyond Vision, including by requiring both entities to report on the extent to which they resolved issues after the initial telephone calls of individuals. Reviewing the reported information will help DWD to assess the effectiveness of the two entities.

☑ Recommendation

We recommend the Department of Workforce Development:

- *require Alorica and Beyond Vision to report contractually required information on the extent to which issues were resolved after the initial telephone calls of individuals to call centers;*
- *use this information to assess the effectiveness of Alorica and Beyond Vision; and*
- *report to the Joint Legislative Audit Committee by January 8, 2021, on its efforts to implement these recommendations.*

Comparisons with Other States

Wisconsin’s call center was open for the second-highest number of hours per week among the call centers operated by seven midwestern states.

We assessed publicly available information on the hours of program call centers in other midwestern states, each of which administers its UI program under the laws and regulations of that state. As shown in Table 9, Wisconsin’s call center was open for the second-highest number of hours per week among the call centers operated by seven midwestern states as of July 30, 2020.

Table 9

Hours That Program Call Centers Were Open, by State¹
As of July 30, 2020

State	Weekday Hours	Weekend Hours	Total Hours per Week
Ohio	7:00 a.m. to 7:00 p.m.	Sat. 9:00 a.m. to 5:00 p.m. Sun. 9:00 a.m. to 1:00 p.m.	72.00
Wisconsin	6:15 a.m. to 5:30 p.m.	Sat. 7:00 a.m. to 1:30 p.m.	62.75
Michigan	8:00 a.m. to 6:00 p.m.	Sat. 7:00 a.m. to 2:00 p.m.	57.00
Illinois	7:30 a.m. to 6:00 p.m.	None	52.50
Indiana	8:00 a.m. to 4:30 p.m.	None	42.50
Iowa	8:00 a.m. to 4:30 p.m.	None	42.50
Minnesota	8:00 a.m. to 4:30 p.m.	None	42.50

¹ Information obtained from state agency websites.

Individuals in Wisconsin could file online their initial claims for unemployment benefits during 75.5 hours per week, which was the lowest among six midwestern states.

As shown in Table 10, as of July 30, 2020, individuals in Wisconsin could file online their initial claims for unemployment benefits during 75.5 hours per week, which was the lowest among the six midwestern states for which we could obtain this information. Individuals in Wisconsin could file online their weekly claims during 149.0 hours per week, which was more than in three other midwestern states. DWD indicated that it would require considerable effort to increase the number of hours that individuals could file online and that such an effort could hinder its ability to pay benefits, including those provided under new federal programs.

Table 10

Number of Hours per Week That Individuals Could File Online for Unemployment Benefits, by State and Type of Claim¹
As of July 30, 2020

State	Hours per Week	
	Initial Claims	Weekly Claims
Michigan	168.0	168.0
Ohio	168.0	168.0
Illinois	154.0	82.5
Iowa	89.5	59.0
Minnesota	84.0	84.0
Wisconsin	75.5	149.0
Indiana	Unknown	165.0

¹ Information obtained from state agency websites.

Future Audit Work

As noted, only 6.6 percent of all initial claims were filed by individuals telephoning the call centers from April 26, 2020, through August 22, 2020. Therefore, the extent to which individuals were unable to speak with the call centers explains only one reason why some individuals did not receive unemployment benefits in a timely manner. In future audit work, we will consider other aspects of DWD’s management of the program.



Response ■

September 21, 2020

State Auditor Joe Chrisman
22 East Main St. Suite 500
Madison, WI 53703

Dear State Auditor Chrisman,

Thank you for the Legislative Audit Bureau's review of the Department of Workforce Development's (DWD) management of the Unemployment Insurance (UI) program's call centers. Due to the widespread impact of the COVID-19 pandemic on our state and its workers, DWD has made substantial operational improvements while working through the constraints that exist on the program notwithstanding the pandemic—in particular, the antiquated technology and limited trained personnel—coupled with the sudden onslaught of an unprecedented number of claims. We appreciate and accept your recommendations to improve the transparency and oversight of UI operations both during and after this public health emergency.

As reflected in your report, the COVID-19 pandemic and the efforts to slow the spread of this deadly virus triggered historic numbers of claims in a matter of weeks. Never has the state experienced such an incredible surge in claims so quickly. During previous economic downturns, claims slowly increased over time. For instance, during the Great Recession, Wisconsin's highest weekly Regular UI claim total, approximately 195,000 claims, occurred in January 2010, three years after the recession began. It was within just six weeks of COVID-19 when we saw a peak of approximately 321,000 weekly claims made this year.

In 2010, lessons should have been learned about the inability of the UI benefits system to keep up with high demand brought on by a recession—much less the unforeseen situation of immediate mass shut-downs due to a pandemic. Yet, UI's DWD's core benefits system has not been modernized. DWD had begun planning for modernization in 2019. Thankfully, from 2014-2016 some enhancements were made to customer-facing online filing systems. The online Initial and Weekly Claims applications and Claimant portal have made it possible for UI to take more than 7.1 million weekly claims into our system since March 15. DWD processed 1.7 million claims in all of 2019.

In 2017, the Department adopted a policy that required online filing, with exceptions given to file by phone in certain circumstances. An exception is granted if an individual is unable to read, is unable to access the internet due to a legal obligation, has a disability that they believe prevents them from filing online, and/or if the individual is a non-English speaker. Typically, claimants who do not have access to the internet or lack computer skills are directed to their local job center or library to file online. Due to the many local access points closed due to COVID-19 and the lack of reliable residential internet connectivity across all regions of the state, DWD is also granting exceptions to those with limited access to the internet or who have poor computer skills. Exceptions have been granted liberally throughout the pandemic, as evidenced by the increase in claims filed by claims specialists in the call centers.

Many claimants impacted by COVID-19 have never before applied for UI so understandably had many questions about the program and the application process, as well as about the new programs and changes passed by the federal and state governments. DWD's antiquated IT system hamstrung the ability to quickly implement new changes (e.g., relaxing eligibility requirements) and programs (e.g., the federal UI programs under the CARES Act), which prompted even more calls and questions into the help center.

It was essential to enhance and stabilize DWD's IT and telephone systems in order to serve claimants by

telephone. UI received over 5.7 million calls in one week, which is about a 20,000% increase over 2019's busiest week. DWD's Telecom team, with the help of the Department of Administration, increased the call capacity of the DWD Call Center by more than 200% and made it possible to accept 690 simultaneous calls. This change went into effect on April 7, 2020.

Along with increased system capacity, UI also required a significant number of individuals to answer the phones and process claims. The public health emergency presented additional operational challenges in making this possible. DWD employees were required to transition from large call centers to work from home. DWD, and especially the UI Division, is subject to strict data security compliance requirements from many agencies, including the DOL, IRS, SSA, and DOA. DWD worked to offer the same level of protection to the public in staff's home networks as is available in the highly regulated state network.

DWD management also worked quickly to expand the number of UI staff. DWD temporarily reassigned 136 non-UI DWD employees into UI, representing 13% of our non-UI staff. DWD has also coordinated with DOA for interagency reassignments, and to date we have had 149 additional staff helping from cabinet agencies, the legislature, and other areas of state government. The Department also made more than 473 external hires in a matter of a few short months. This, too, is unprecedented given the anticipated time to fill one position in state service is 60 days. While DWD, with the help of DOA's Division of Personnel and Management, took many steps to expedite the hiring process, the agency was required to work through the state's competitive hiring process, which, by statute and administrative rules, requires agencies to develop and administer a standard and fair application process that provides applicants with consistent questions and expectations and that is reviewed with consistent scoring criteria that is applied via the uniform evaluation of Subject Matter Experts.

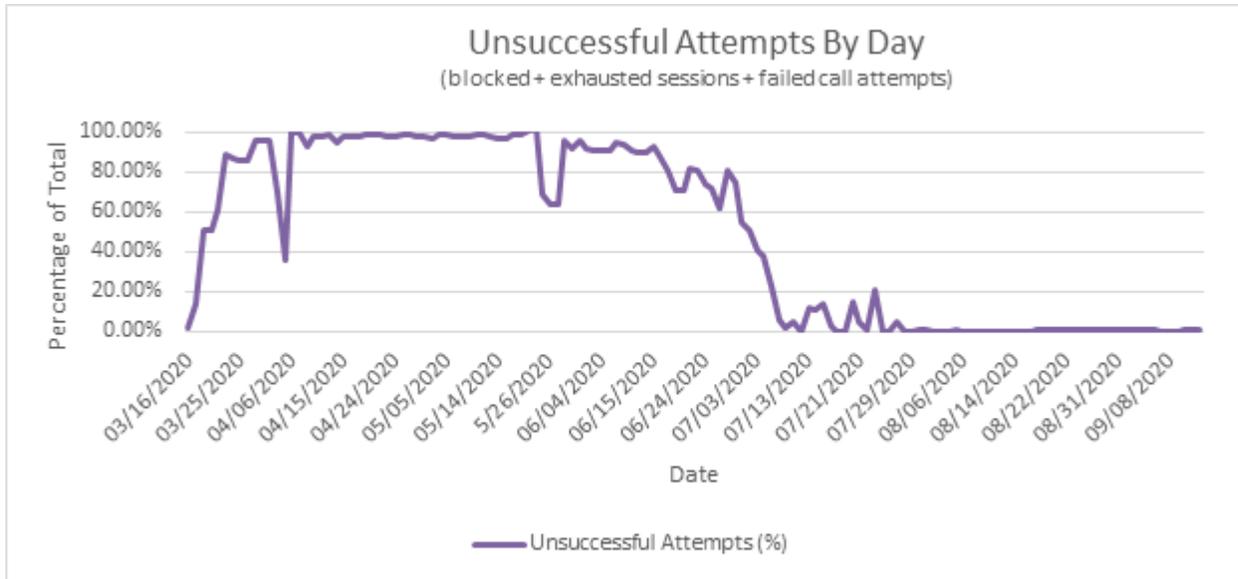
Understanding the need would be greater than external hires and government transfers could meet, DWD began planning and drafting in early April to solicit bids later that month for external vendors to assist with claims processing, customer service, and adjudication. DWD signed its first contract with Alorica, a call center vendor, on May 7. An initial 50 Alorica staff began taking calls on May 20. DWD trained and onboarded additional waves of agents until reaching the contractually required 500 agents on July 20. DWD also signed a contract with Beyond Vision to offer 40 call center agents to specifically help with PUA claims. Beyond Vision agents began accepting calls on June 1.

Having the additional UI Benefit call center staff on board quickly led to improvements for both claimants and employers and expanded capacity for existing DWD staff to handle more challenging calls and claims. The number of calls goes up dramatically when individuals are not able to get through. By answering more calls, the number of repeat callers was quickly reduced. For example, from May 20 through June 30, there were 507,627 unique callers that made a total of 4,749,095 calls to Alorica. The percentage of answered calls continued to increase until we reached the 100% mark the week of July 27. As of August 3, UI was nearly able to accept all calls into the UI Benefit Center queue. With the additional staff able to answer more calls, call volume has decreased by over 99% since peak volume. In Figure 1 and Figure 2 you can see a more complete picture of how the increased staffing dramatically impacted the call queue.

Figure 1

	July Weeks 7/6 - 7/27		August Weeks 8/3 - 8/31		September Week 9/7	
Answered	295,136	67.09%	321,573	89.77%	45,077	78.31%
Abandoned	107,901	24.53%	35,867	10.01%	12,393	21.53%
Unsuccessful Attempts	36,896	8.39%	768	0.21%	95	0.17%
Total	439,933	100.00%	358,208	100.00%	57,565	100.00%

Figure 2

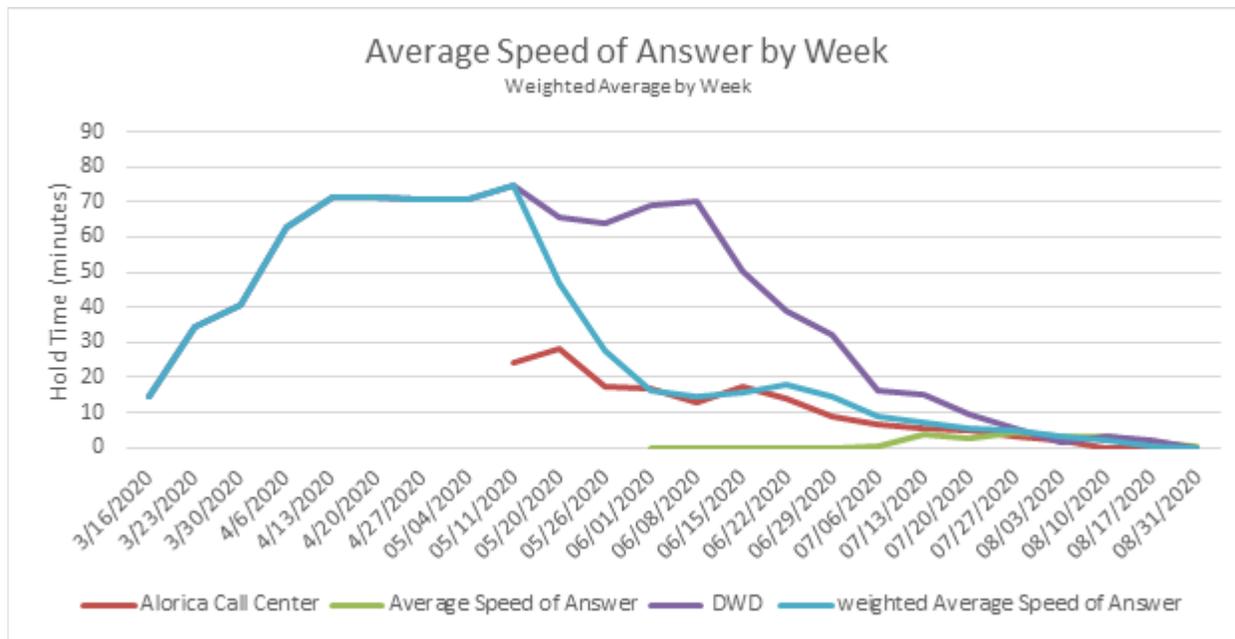


Source: CenturyLink Attempts – CenturyLink Completed + Blocked Calls
Note: Excludes 3/27 data, as blocked calls were lost for that day within the Centurion data.

UI's antiquated benefits system restricts claims processing staff from using the claims subsystem in order to process and issue payments each night. Processing claims during execution of payment processing programs can result in data corruption and incorrect payment calculations. Once UI stops accepting new calls each day, staff continue to perform hours of work to clear call queues, call back claimants, process claims, and release payments in time for nightly electronic bank processing (ACH processing) of payments. With the onboarding of our call center vendors, DWD was able to change UI staffing schedules and expand call center availability by over 23 hours each week.

Due to the significant access to personally identifiable information, including social security numbers, all UI hires must pass a rigorous background screening, including for some positions, a federal fingerprinting background check. Because of the highly technical nature of the UI program, call center staff must be experienced, well-trained, and skilled. Entry-level call center staff are not qualified to respond to many of the complex issues that arise in UI. Therefore, the contracts called for Alorica and Beyond Vision to "triage calls" and "answer general questions on unemployment benefits." As noted in the report, 41.6 percent of all telephone calls pertained to program inquiries, rather than claims issues. These are the calls that the contractors could initially handle to reduce the burden on the experienced DWD staff in the UI call center. You can also see how the increased staffing has impacted the average speed of calls be answer in Figure 3.

Figure 3



Over time, DWD has worked with Alorica to train agents on more complex claims issues to provide enhanced services at the first point of contact. Throughout the summer, more agents were able to authorize claimants to use online services, complete weekly claims or initial claims, and update wages. Some are also now being trained to clarify weekly claim follow-up issues, recertify and resolve incomplete weekly claims, and clarify and remove issues reported in error. Using the more experienced vendor agents to provide these services has allowed DWD staff to focus on other areas of customer service and claims processing. Most recently these DWD staff have been able to help process PUA claims and review claims for accuracy.

DWD did not include a stipulated penalty clause in its contracts with Alorica and Beyond Vision because it determined that non-monetary enforcement mechanisms were sufficient to ensure quality contractor performance. UI staff monitors calls to review the customer service and accuracy of information provided, provides feedback, and discusses any issues and improvements each week.

In addition to the call centers, DWD has also contracted with a vendor (Nelnet) to provide 200 adjudicators and 100 claims processors. It has been important to address all steps in the process—application, processing, adjudication, and appeals--in order to reduce an individual's need to call our help line. We understand now, as we did then, that when claims are resolved, the call volume will drastically reduce.

The Department has worked to overcome the unique challenges presented throughout the COVID-19 pandemic and is committed to continue improving operations and management to better serve Wisconsin residents. We appreciate the additional review and recommendations provided through this audit. We accept all recommendations.

Recommendation 1: *DWD include in its weekly reports to the co-chair-persons of the Joint Legislative Audit Committee the total number of telephone calls to Unemployment Insurance program call centers that resulted in individuals being unable to reach the call centers, including telephone calls that were blocked and telephone calls that resulted in busy signals; and report to the Joint Legislative Audit Committee by January 8, 2021 on its efforts to implement this recommendation.*

DWD accepts this recommendation. On May 1, 2020, Joint Audit Committee Co-Chairs requested a list of specific information be provided to them on a weekly basis, including "the total number of calls to DWD's call centers" and "the number of calls answered, the number abandoned, and the number blocked." Since May 8, DWD has worked to comply with this request and report the information.

For purposes of tracking calls, UI adopted DWD's call center distribution software vendor Centurion's definition of blocked calls. Under this definition, blocked calls are those that enter the UI Automatic Call Distribution system menu but are not placed in queue or passed to an agent because the queue is full. (The caller is told to call back later.) Calls in which callers receive a busy signal, including a fast busy signal, single beep, dead air, etc. are not included in this definition because they do not enter the system. Busy signals are received by the callers when all sessions are exhausted. Busy signals were included in the total "Calls to the UI Benefit Centers" reported metric.

We will separate and specifically report on the number of calls that receive a busy signal beginning on the report dated September 25.

Recommendation 2: *DWD develop a records disposition authorization pertaining to data associated with telephone calls to Unemployment Insurance program call centers and submit it to the Public Records Board for consideration; and report to the Joint Legislative Audit Committee by January 8, 2021 on its efforts to implement this recommendation.*

DWD accepts this recommendation. DWD will develop a records disposition authorization (RDA) for data associated with telephone calls to the UI call center and submit it to the Public Records Board for consideration with DWD's submission in the first quarter of 2021. DWD has already completed its quarterly submission for the last quarter of 2020 by its deadline on September 11.

Recommendation 3: *DWD require Alorica and Beyond Vision to report contractually required information on the extent to which issues were resolved after the initial telephone calls of individuals to call centers; use this information to assess the effectiveness of Alorica and Beyond Vision; and report to the Joint Legislative Audit Committee by January 8, 2021 on its efforts to implement this recommendation.*

DWD accepts this recommendation. DWD is committed to continually improving our customer service and has worked with Alorica and Beyond Vision to offer continuing education and coaching for the call center agents. In addition to reviewing the contractually required information, DWD will also continue monitoring calls to assess the quality of customer service and information provided.

Sincerely,



Rob Cherry
Deputy Secretary