

January 15, 2021

Senator Robert Cowles, Co-Chair
Joint Legislative Audit Committee
Room 118 South, State Capitol
Madison, WI 53702

Representative Samantha Kerkman, Co-Chair
Joint Legislative Audit Committee
Room 315 North, State Capitol
Madison, WI 53702

Dear Co-Chairs Cowles and Kerkman:

I am writing to update you on the status of the Department of Workforce Development's (DWD's) efforts to implement the Legislative Audit Bureau's (LAB's) recommendations contained in its review of the Department of Workforce Development's (DWD's) administration of aspects of the Unemployment Insurance (UI) program, including those related to processing certain claims filed by individuals for program benefits (Report 20-28).

Recommendation 1: DWD use the result of our analyses to inform its efforts to pay program benefits in a timely manner and report to the Joint Legislative Audit Committee (JLAC) by January 15, 2021 on the status of its efforts to implement this recommendation.

- ✓ The Department used the analysis in Report 20-28 to help inform our continued actions to make more timely benefit determinations. We are happy to report that on December 30, 2020, DWD reached a workload comparable to seasonal pre-pandemic levels and had either resolved or assigned out to an adjudicator all issues that were more than 21 days old, effectively clearing the UI backlog.

The UI Division measures its workload by looking at the number of pending eligibility issues that had not yet been scheduled to an adjudicator at the end of the previous week. In 2020 UI Week 1 (the week ending January 4, 2020), there were 5,772 issues waiting to be assigned to an adjudicator. In 2021 UI Week 1 (the week ending January 2, 2021), there were 5,153 issues waiting to be assigned, meaning that the workload was actually less than it was at that time last year, before the pandemic hit.

As noted in Report 20-28, the delays that claimants experienced were less connected to delays in the actual adjudication process and more a result of the unprecedented number of cases the Department received, which resulted in many cases waiting to be assigned an adjudicator. Due to the actions taken to increase staffing levels and efficiencies throughout the year, as well as the through our partnership with Google Cloud throughout the last few months, we were able to assign out all cases to adjudicators so they could be actively worked on and resolved.

The recent addition and extension of federal programs, the anticipation of additional program changes, along with an uncertain economic recovery, means that DWD will see continued, significant demands on our systems. We are remaining diligent in our efforts to remove any barriers that may impact the timely payment of benefits and efficiencies in our operations.

Beyond continually updating our staffing levels to manage workloads, we are working with Google Cloud to implement systems that allow claimants to send and receive secure electronic

communications, allow claimants and employers to upload documents rather than relying on mail and fax, and automate our backend manual processes. We are also in the process of thoroughly reviewing all questions on our UI initial and weekly claim applications to ensure that they are written in plain language so that we reduce the number of mistakes that create unnecessary issue holds.

Recommendation 2: Department of Workforce Development include additional guidance in its adjudication manual for the Pandemic Unemployment Assistance (PUA) program and report to the Joint Legislative Audit Committee (JLAC) by January 15, 2021 on the status of its efforts to implement this recommendation.

- ✓ Additional information was added to the PUA Adjudication manual on December 19, 2020 to provide guidance on the circumstances when DWD should request additional information from individuals who indicated they are providing substantial financial support to households because the household heads died from the virus, the types of documents individuals must provide to verify their claims, and how adjudicators should evaluate the information and determine eligibility for program benefits.

Recommendation 3: Department of Workforce Development identify all individuals who are potentially eligible for Pandemic Unemployment Assistance (PUA) program benefits and provide them with written notification of their potential eligibility and instructions for filing for such benefits and report to the Joint Legislative Audit Committee (JLAC) by January 15, 2021 on the status of its efforts to implement this recommendation.

- ✓ The Department ran a scan to identify all claimants who had been denied regular Unemployment Insurance (UI) between January 27 and April 27, 2020 and who had not already filed for PUA. (As you may recall, the Department had begun notifying everyone who was denied regular UI about their potential eligibility for PUA on or after April 27. The first payable week of PUA was the week ending February 2.) On December 16, 2020, the Department mailed written notification to all 268 individuals of their potential eligibility for the program and provided instructions for filing benefits.

Thank you for your consideration.

Sincerely,



Amy Pechacek
Secretary-designee
Department of Workforce Development