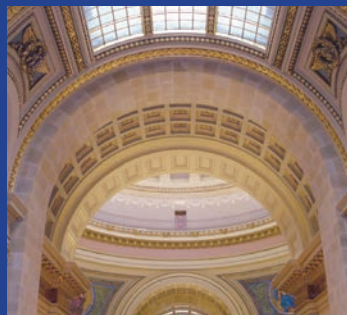


Report 14-15
December 2014

Initial Claims Processing for Unemployment Insurance

Department of Workforce Development

STATE OF WISCONSIN



Legislative Audit Bureau ■

Initial Claims Processing for Unemployment Insurance

Department of Workforce Development

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Joe Chrisman
State Auditor

December 16, 2014

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

Dear Senator Cowles and Representative Kerkman:

As directed by the Joint Legislative Audit Committee, we have completed an evaluation of the processing of initial claims submitted by individuals seeking to participate in the Unemployment Insurance program, which is administered by the Department of Workforce Development (DWD).

Individuals file initial claims through an automated telephone system, online, or by contacting one of DWD's two call centers. In fiscal year (FY) 2013-14, almost 1.7 million calls to the call centers, or 60.2 percent of the total, were blocked because call center staff were busy and the telephone queues were full. From December 2013 through January 2014, when call volumes were high, more than 80.0 percent of calls to the telephone line for filing initial claims were blocked. Less than 10.0 percent of such calls were blocked from February 2014 through June 2014.

DWD is taking steps to reduce the likelihood that large numbers of calls will be blocked in December 2014 and January 2015, when many individuals may attempt to file. If these steps are insufficient, DWD may need to take additional action. We recommend that DWD report to the Joint Legislative Audit Committee in March 2015 on the numbers of calls answered, abandoned, and blocked in the coming months.

We reviewed the timeliness of appeals of DWD's unemployment decisions and found that DWD's administrative law judges generally issued appeals decisions faster than required by federal law. We also reviewed the steps DWD has taken to recoup overpayments and found that it typically takes years to fully recoup overpayments that DWD has identified. For example, the \$42.3 million recouped in FY 2013-14 included overpayments that had been identified over the prior 26 years. We recommend that DWD specify in its statutorily required annual reports the years in which all recouped overpayments were identified.

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

Respectfully submitted,

Joe Chrisman
State Auditor

JC/DS/ss

Report Highlights ■

In FY 2013-14, almost 1.7 million calls to DWD's call centers, or 60.2 percent of the total, were blocked because a telephone queue was full.

DWD is taking steps to reduce the likelihood that large numbers of calls will be blocked in the future.

DWD's administrative law judges generally issued appeals decisions faster than required by federal law.

The amount of overpayments of unemployment benefits recouped by DWD declined steadily in recent years.

Wisconsin's Unemployment Insurance program, which is managed by the Department of Workforce Development (DWD), temporarily provides benefits to replace a portion of wages lost when individuals become unemployed and meet certain eligibility requirements. Unemployed individuals file their initial claims for unemployment benefits through an automated telephone system, online, or by contacting one of DWD's two call centers. DWD verifies information that individuals provide in order to establish the eligibility of the individuals and the amounts of weekly benefits to pay the individuals.

Individuals may appeal DWD's decisions regarding their eligibility and amounts of weekly benefits. Employers, which help to fund the benefits, may also appeal DWD's decisions, including the amounts paid to individuals. If DWD determines it has paid benefits that individuals were not entitled to receive, it typically attempts to recoup the overpayments.

As a result of concerns about difficulties that individuals experienced while attempting to file initial claims, the Joint Legislative Audit Committee directed the Audit Bureau to conduct this evaluation in which we reviewed:

- the process individuals use to file initial claims, including DWD's efforts to address the difficulties experienced by individuals;
- appeals of eligibility and benefit decisions made by DWD; and

the steps DWD has taken to recoup improper benefit payments.

Initial Claims

Through fiscal year (FY) 2013-14, individuals who attempted to file initial claims through the automated telephone system or online were unable to complete their claims using that system if, for example, they reported having worked outside of Wisconsin, or they reported having worked for multiple employers and information about at least one of those employers was not in DWD's computer systems. Such individuals were required to contact DWD's call centers to complete the filing process. In FY 2013-14:

- 19,400 of 106,300 initial claims, or 18.3 percent, started through the automated telephone system were completed by that method; and
- 69,800 of 125,900 initial claims, or 55.4 percent, started online were completed online.

Through FY 2013-14, individuals could contact the call centers through three telephone lines: a publicly available line intended for individuals filing initial claims, a publicly available line intended for individuals who had inquiries about Unemployment Insurance issues, and a non-publicly available line intended for individuals whom DWD had asked to provide additional information that was needed to clarify their eligibility. Individuals were placed on hold in a queue when all call center staff were busy.

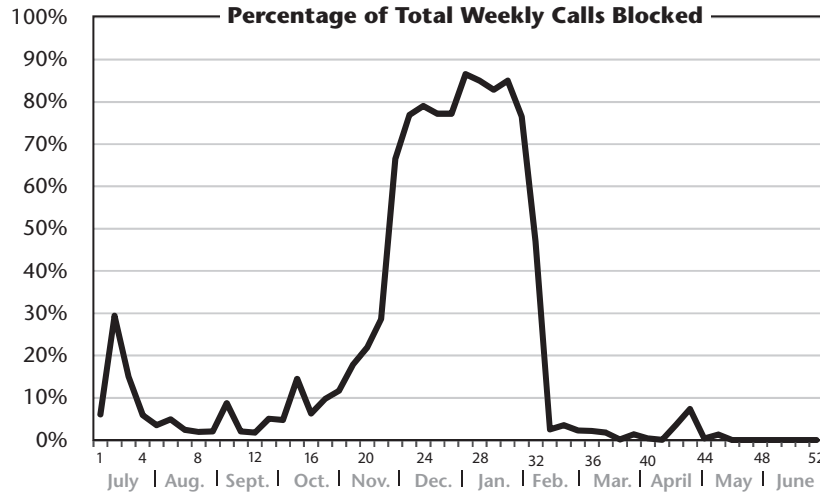
DWD indicated that it typically limited the size of the queues in order to minimize wait times. If more calls were received than available spots in a queue, some calls were blocked from entering the queue, and the individuals were instructed to call again later. In FY 2013-14, almost 1.7 million calls to the call centers, or 60.2 percent of the total, were blocked because a queue was full.

Call volumes were high from December 2013 through January 2014, compared to other times in FY 2013-14. During that two-month period, individuals made an average of 93,000 calls per week to the telephone line for initial claims. During other months in the fiscal year, individuals made an average of less than 10,000 calls per week to that telephone line.

The percentage of telephone calls blocked because a queue was full varied considerably during certain months in FY 2013-14, as shown in Figure 1. From December 2013 through January 2014, more than 80.0 percent of the 836,700 calls to the telephone line for initial claims were blocked. In contrast, less than 10.0 percent of the 155,500 calls from February through June 2014 were blocked.

Figure 1

Percentage of Calls to the Telephone Line for Initial Claims That Were Blocked
FY 2013-14



DWD is taking steps to reduce the likelihood that large numbers of calls will be blocked in December 2014 and January 2015, when many individuals may attempt to file claims. In November 2014, it implemented a new computer system to process initial claims filed online. DWD indicated that the system allows most individuals who worked for multiple employers in Wisconsin to file online. However, individuals who worked outside Wisconsin will still need to contact the call centers because the new system is unable to verify employment in other states.

It can be challenging for DWD to handle significant, temporary increases in calls during certain times of the year. If the steps that DWD has planned are insufficient and large numbers of calls are blocked in the coming months, DWD may need to take additional action. Such action could include allowing more individuals to remain on hold in a queue, making additional telephone lines available to individuals attempting to file initial claims, and allowing all individuals to file initial claims online.

Appeals

Individuals and employers can appeal DWD's unemployment benefits decisions. Appeals are filed first with DWD's administrative law judges and then with the Labor and Industry Review Commission. Through June 2014, 68,900 appeals had been

filed and decided from FY 2011-12 through FY 2013-14. This total includes 61,400 appeals decided by DWD's administrative law judges and 7,500 appeals appealed to and decided by the Labor and Industry Review Commission. We found that 64.9 percent of DWD's unemployment benefits decisions were upheld by either administrative law judges or, if applicable, the Labor and Industry Review Commission.

Federal law requires DWD's administrative law judges to issue decisions for at least 60.0 percent of all appeals in a 12-month period within 30 days of the date of appeal, and at least 80.0 percent within 45 days. From FY 2011-12 through FY 2013-14, administrative law judges generally issued appeals decisions faster than required by federal law.

Recouping Overpayments

Individuals are sometimes paid more unemployment benefits than they are entitled to receive. This can occur unintentionally, such as if individuals inadvertently provide DWD with incorrect information that is used to calculate weekly benefit amounts. Overpayments can also occur if individuals intentionally provide incorrect information.

From FY 2011-12 through FY 2013-14, DWD identified 681,400 overpayments totaling \$167.9 million. Individuals who unintentionally provided inaccurate information accounted for 84.7 percent of the number of identified overpayments, and these overpayments totaled \$61.8 million. Individuals who intentionally provided inaccurate information accounted for 9.5 percent of the number of identified overpayments, and these overpayments totaled \$86.3 million.

The total amount of overpayments recouped by DWD declined steadily from \$51.7 million in FY 2011-12 to \$42.3 million in FY 2013-14. It typically takes years to fully recoup overpayments that DWD identifies. The \$42.3 million recouped in FY 2013-14 included overpayments that DWD had identified over the prior 26 years.

The Unemployment Insurance Advisory Council advises DWD on matters related to unemployment insurance. No later than March 15 of each year, DWD is statutorily required to report to the Council on its efforts to detect and prosecute Unemployment Insurance fraud. We reviewed DWD's March 2014 report and found that some information could have been presented more clearly. The report indicates that in 2013, DWD identified \$24.8 million in overpayments that resulted from intentional misrepresentations. The report further

indicates that DWD recouped \$24.0 million in overpayments that resulted from intentional misrepresentations, and that this amount equates to a 97.0 percent rate of recoupment. However, this percentage is overstated because almost all of the \$24.0 million recouped in 2013 had been identified in prior years. DWD's data indicate that DWD actually recouped \$2.3 million of the overpayments identified in 2013 as having resulted from intentional misrepresentations. This amount equates to a 9.5 percent rate of recoupment.

Recommendations

We include recommendations for DWD to:

- ☑ report to the Joint Legislative Audit Committee by March 16, 2015, on the numbers of answered, abandoned, and blocked calls to its unemployment benefits call centers each month from November 2014 through February 2015 (*p. 21*); and
- ☑ specify in its statutorily required annual reports to the Unemployment Insurance Advisory Council the years in which all recouped overpayments were identified and provide a copy of the March 2015 report to the Joint Legislative Audit Committee by March 16, 2015 (*p. 35*).

■ ■ ■ ■

Introduction ■

Wisconsin's Unemployment Insurance program was enacted in 1932.

Wisconsin's Unemployment Insurance program was enacted in 1932 and was the first such program in the United States. To be eligible to receive unemployment 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 certain exceptions for an individual to quit employment and receive benefits, such as quitting employment because child care cannot be obtained.

Until August 2010, most eligible individuals could be paid unemployment benefits for up to 99 weeks, which included 26 weeks of regular benefits funded primarily by taxes paid by employers, 53 weeks of federally funded emergency benefits, and 20 weeks of federally funded extended benefits. Individuals were paid regular benefits first, followed by emergency benefits, and then extended benefits. Extended benefits ended in April 2012 because of declines in Wisconsin's unemployment rate, and emergency benefits ended in December 2013 when the federal law that authorized them expired.

As of June 30, 2014, eligible individuals could receive up to 26 weeks of regular benefits. In addition, certain individuals affected by increased competition from foreign firms, including those who lost their jobs as a result of domestic firms outsourcing jobs to foreign countries, were eligible for an additional 91 weeks of federally funded trade adjustment benefits after they were paid the 26 weeks of regular benefits.

Individuals file initial claims through an automated telephone system, online, or by contacting DWD’s call centers.

Individuals file initial claims through an automated telephone system, online, or by contacting one of DWD’s two call centers located in Madison and Milwaukee. In filing initial claims, individuals must answer a series of questions that DWD uses to determine eligibility and the amounts of weekly benefits. In some instances, individuals attempting to file through the automated telephone system or online are directed to contact the call centers and provide more detailed information.

Early in 2014, a number of individuals reported that they began filing initial claims through the automated telephone system or online, but that they were unable to complete the filing process using those methods. Some individuals also reported being unable to contact the call centers. After the Joint Legislative Audit Committee approved this audit, several individuals contacted our Fraud, Waste, and Mismanagement Hotline to report similar difficulties in attempting to file initial claims.

To complete this audit, we examined how DWD processes initial claims, including the timeliness and responsiveness of DWD’s call centers, and DWD’s efforts to address the difficulties experienced by individuals. We also examined the number of appeals of decisions made by DWD regarding eligibility and amounts of weekly benefits, including the timeliness with which the appeals were resolved and the disposition of the appeals, and we examined DWD’s efforts to recoup overpayments. We reviewed state and federal laws, interviewed DWD staff, and reviewed DWD’s policies and procedures pertaining to how individuals are to file initial claims. In addition, we analyzed DWD’s data related to attempts individuals made to file initial claims from FY 2011-12 through FY 2013-14, appeals filed and decided in that three-year period, and DWD’s efforts to recoup overpayments.

■ ■ ■ ■

Initial Claims ■

Individuals file initial claims for unemployment benefits through an automated telephone system, online, or by contacting a DWD call center. In FY 2013-14, DWD typically first paid benefits within two calendar weeks after individuals had filed initial claims. However, we found that individuals had particular difficulty in filing initial claims from December 2013 through January 2014, which was a time when many individuals attempted to file. DWD is taking steps to reduce the likelihood that such difficulties will reoccur. However, it may need to take additional action if considerable numbers of individuals have difficulty in filing initial claims in the coming months, when many individuals may attempt to file.

Filing Initial Claims

Through FY 2013-14, DWD's automated telephone system had the capacity to allow up to 299 individuals to file initial claims simultaneously.

Individuals can file initial claims through a telephone line whose number DWD makes publicly available. Through FY 2013-14, DWD's automated telephone system had the capacity to allow up to 299 individuals to file initial claims simultaneously. If 300 individuals or more attempted to file simultaneously, some calls were blocked from entering the system, and the individuals were instructed to call again later. DWD does not track the number of calls blocked from entering the automated telephone system.

Through FY 2013-14, individuals who attempted to file initial claims through the automated telephone system were unable to complete their claims using that system if, for example, they reported having

worked outside of Wisconsin, or they reported having worked for multiple employers and information about at least one of those employers was not in DWD's computer systems. Such individuals had their calls transferred automatically to DWD's call centers. Similarly, individuals who attempted to file online were unable to complete their claims online if, for example, they reported having worked outside of Wisconsin, or they reported having worked for multiple employers and information about at least one of those employers was not in DWD's computer systems. DWD indicated that such individuals received online instructions to call the automated telephone system used to file initial claims and request to be transferred to a DWD call center.

Individuals were placed on hold in a queue when all call center staff were busy.

Individuals were placed on hold in a queue when all call center staff were busy. To minimize wait times in FY 2013-14, DWD indicated that it typically limited the Madison call center's queue to 100 individuals and the Milwaukee call center's queue to 130 individuals, although the capacity of each queue could have been expanded to 367 individuals. Because the Milwaukee call center had more staff, its queue was typically longer. If more calls were received than available spots in a queue, some calls were blocked from entering the queue, and the individuals were instructed to call again later. If an individual on hold in a queue hung up before speaking with call center staff, DWD considered the call to have been abandoned.

Through FY 2013-14, individuals could also contact DWD's call centers using two other telephone lines, including one that was intended for individuals who had inquiries about Unemployment Insurance issues, such as their eligibility to receive benefits. The second telephone line was intended for individuals whom DWD had asked to provide additional information needed to clarify their eligibility. If all call center staff were busy, individuals were placed on hold in queues that DWD typically limited in size. If more calls were received than available spots in a queue, some calls were blocked, and the individuals were instructed to call again later. If an individual on hold in a queue hung up before speaking with call center staff, DWD considered the call to have been abandoned.

As noted, the particular circumstances of some individuals who attempted to file initial claims through the automated telephone system or online required them to contact DWD's call centers to complete the filing process. Concerns have been raised that some individuals who began to file through the automated telephone system were unable to complete the filing process by that method, and that other individuals who began to file online were unable to complete the filing process by that method.

Only 18.3 percent of initial claims started through the automated telephone system were completed by that method.

As shown in Table 1, of the 106,300 initial claims started through the automated telephone system in FY 2013-14, only 19,400 (18.3 percent) were completed by that method. Most of the remainder were completed through the call centers. We found that 55.4 percent of initial claims started online were completed online, and that 100.0 percent of initial claims started through the call centers were completed by that method.

Table 1

**Starting and Ending Methods Used to File
Initial Claims for Unemployment Benefits¹**
FY 2013-14

Starting Method	Ending Method				Percentage That Used the Same Starting and Ending Method
	Automated Telephone System	Online	Call Center	Total	
Automated Telephone System	19,400	2,000	84,900	106,300	18.3%
Online	0	69,800	56,100	125,900	55.4
Call Center ²	0	0	287,800	287,800	100.0
Total	19,400	71,800	428,800	520,100	72.5

¹ Includes initial claims filed by individuals who were subsequently determined to be eligible and were paid unemployment benefits.

² DWD indicated that most of these initial claims were not calls to the call centers but were instead initial claims automatically generated by its computer systems. This could occur, for example, when individuals working part-time were eligible for benefits only in some weeks. DWD's computer systems generated new initial claims whenever individuals were eligible for benefits after not having received them in the prior week.

As shown in Table 2, individuals filed 2.3 million initial claims from FY 2011-12 through FY 2013-14, were determined to be eligible to receive benefits, and subsequently received them. The annual number of initial claims decreased over the three-year period.

Table 2

Initial Claims Filed by Individuals Who Received Unemployment Benefits¹

Fiscal Year	Number of Claims
2011-12	945,400
2012-13	792,300
2013-14	520,100
Total	2,257,800

¹ Includes initial claims filed by individuals who were subsequently determined to be eligible and were paid unemployment benefits.

In FY 2013-14, DWD first paid 60.8 percent of claims in the same calendar week that the claims were filed.

We determined how long DWD took to first pay benefits after individuals filed weekly claims in FY 2013-14. As shown in Table 3, DWD first paid 60.8 percent of claims in the same calendar week that the claims were filed and 27.9 percent within the following two calendar weeks. DWD first paid 600 claims more than 20 calendar weeks after individuals filed claims. Data were not readily available to explain why DWD took so long to pay these benefits.

Table 3

**Number of Calendar Weeks for DWD to First Pay Unemployment Benefits¹
FY 2013-14**

Calendar Weeks	Number of Claims	Percentage of Total
Within 1	316,300	60.8%
1 or 2	145,200	27.9
3 or 4	39,600	7.6
5 through 10	15,900	3.1
11 through 20	2,500	0.5
More than 20	600	0.1
Total	520,100	100.0%

¹ Number of calendar weeks after individuals filed weekly claims.

Problems Filing Initial Claims

In FY 2013-14, almost 1.7 million calls were blocked because a queue was full.

We determined the extent to which individuals had problems filing initial claims in recent years. Table 4 shows the number of calls to DWD's call centers from FY 2011-12 through FY 2013-14. In FY 2013-14, almost 1.7 million calls, or 60.2 percent of the total, were blocked because a queue was full. Over the three-year period, the number of answered calls declined, but the total number of calls increased.

Table 4

Telephone Calls to DWD's Unemployment Benefits Call Centers

Fiscal Year	Answered by Call Centers	Abandoned ¹	Blocked ²	Total	Percentage Blocked
2011-12	1,052,800	287,800	1,033,300	2,374,000	43.5%
2012-13	876,300	423,800	935,400	2,235,500	41.8
2013-14	761,700	332,800	1,651,900	2,746,300	60.2

¹ Individuals in a queue who hung up before speaking with call center staff.

² Telephone calls blocked because a queue was full.

Through FY 2013-14, individuals could contact the call centers through three telephone lines: a publicly available line intended for individuals filing initial claims, a publicly available line intended for individuals who had inquiries about Unemployment Insurance issues, and a non-publicly available line intended for individuals whom DWD had asked to provide additional information needed to clarify their eligibility. We examined in greater detail attempts by individuals to contact DWD's call centers through each of the three telephone lines in FY 2013-14.

As shown in Table 5, 66.2 percent of calls to the telephone line for inquiries were blocked because a queue was full, and 60.4 percent of calls to the telephone line for initial claims were blocked because a queue was full. No calls to the telephone line for eligibility clarification were blocked because a queue was full. DWD provides information on how to access this telephone line only to those individuals who must clarify their eligibility.

Table 5

Telephone Calls to DWD's Unemployment Benefits Call Centers, by Telephone Line
FY 2013-14

Telephone Line	Answered by Call Centers	Abandoned ¹	Blocked ²	Total	Percentage Blocked
Inquiries	292,200	173,900	911,300	1,377,400	66.2%
Initial Claims	335,000	151,500	740,600	1,227,000	60.4
Eligibility Clarification	134,500	7,400	0	141,900	0.0
Total	761,700	332,800	1,651,900	2,746,300	60.2

¹ Individuals in a queue who hung up before speaking with call center staff.

² Telephone calls blocked because a queue was full.

Call volumes were high from December 2013 through January 2014.

Call volumes were high from December 2013 through January 2014, compared to other times in FY 2013-14. During that two-month period, individuals made an average of 93,000 calls per week to the initial claims telephone line and an average of 62,000 calls per week to the inquiries telephone line, as shown in Table 6. DWD indicated that many individuals called about the December 2013 expiration of federal emergency unemployment benefits, while other individuals called to file initial claims after their holiday-related jobs ended or after their work hours were reduced because of harsh winter weather.

Table 6

Average Weekly Telephone Calls to DWD's Unemployment Benefits Call Centers
FY 2013-14

Time Period	Initial Claims Telephone Line	Inquiries Telephone Line
July 2013 through November 2013	10,700	27,700
December 2013 through January 2014	93,000	62,000
February 2014 through June 2014	7,400	10,000

Because concerns were raised about the length of time that individuals needed to wait before speaking with call center staff, we determined the average number of minutes that individuals were on hold in a queue before their calls were answered. Since July 2013, DWD has sometimes allowed individuals the option of having its

telephone system call them back when they reach the front of a queue, rather than remaining on hold. DWD indicated that it typically activated this option if the average hold time was approximately ten minutes or longer. The time between when individuals selected this option and when they were called back is not included in DWD's data. As a result, the data may not fully reflect the length of time that individuals waited to speak with call center staff. In addition, the data do not indicate the subject matter of individual calls. It is possible that some calls to a given telephone line concerned topics that should have been directed to a different telephone line. For example, if an individual's call to the telephone line for initial claims was blocked, the individual may have then called the inquiries telephone line.

In FY 2013-14, 27.7 percent of calls to DWD's call centers were answered. As shown in Table 7, individuals who called the telephone line for initial claims in FY 2013-14 waited on hold for an average of 11.6 minutes before speaking with call center staff, while those who called the inquiries telephone line waited on hold for an average of 5.8 minutes. When call volumes were high from December 2013 through January 2014, individuals who called the telephone line for initial claims waited on hold for an average of 19.1 minutes, while those who called the inquiries telephone line waited on hold for an average of 21.8 minutes.

Table 7

Length of Time Individuals Waited on Hold Before Speaking with Staff at DWD's Unemployment Benefits Call Centers
FY 2013-14

Telephone Line	Telephone Calls Answered	Average Minutes ¹
Initial Claims	335,000	11.6
Inquiries	292,200	5.8
Eligibility Clarification	134,500	0.7
Total	761,700	

¹ Excludes the time between when individuals requested that the telephone system call them back and when they reached the front of a queue.

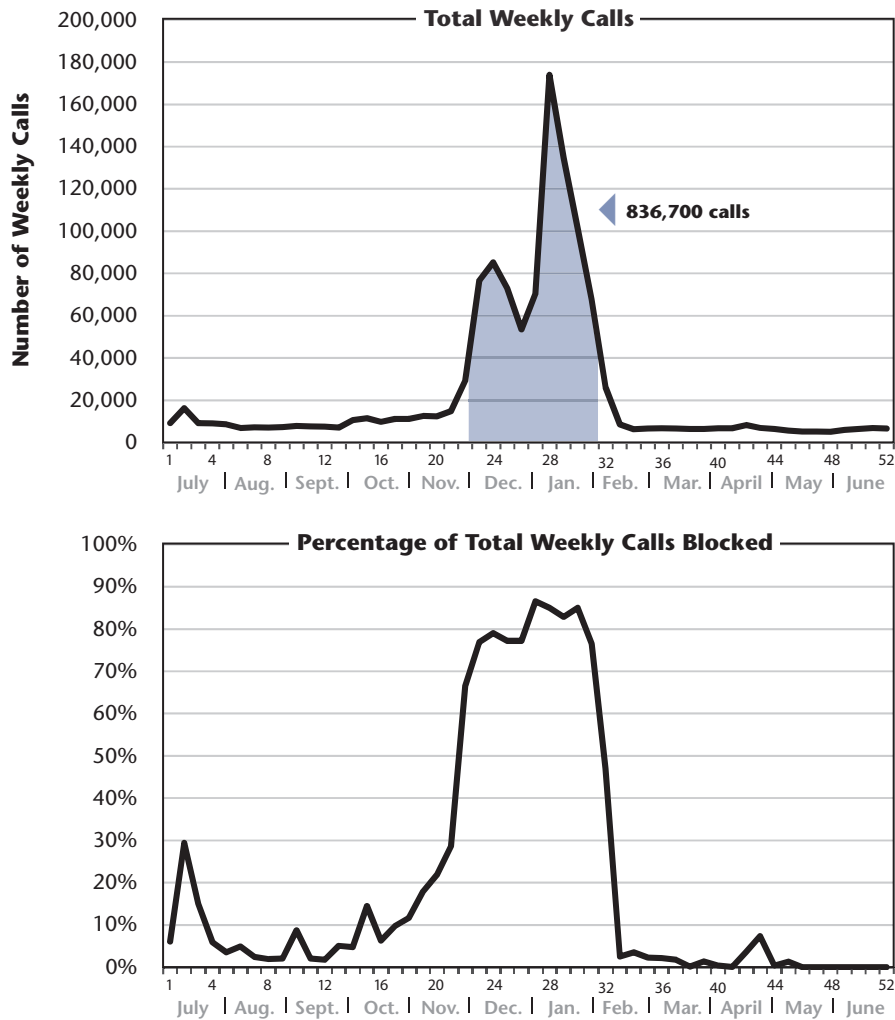
The percentage of telephone calls blocked because a queue was full varied considerably during certain months in FY 2013-14. Figure 2 shows the total weekly calls to the telephone line for initial claims and the percentage of those calls that were blocked.

From December 2013 through January 2014, more than 80.0 percent of calls to the telephone line for initial claims were blocked.

From December 2013 through January 2014, more than 80.0 percent of the 836,700 calls were blocked. In contrast, less than 10.0 percent of the 155,500 calls from February 2014 through June 2014 were blocked. The available data do not indicate the extent to which individuals were unable to file initial claims because their calls were blocked. However, many individuals likely experienced delays in filing because of the significant number of blocked calls.

Figure 2

**DWD’s Unemployment Benefits Call Centers: Telephone Line for Initial Claims
Total Weekly Calls and the Percentage Blocked in FY 2013-14¹**

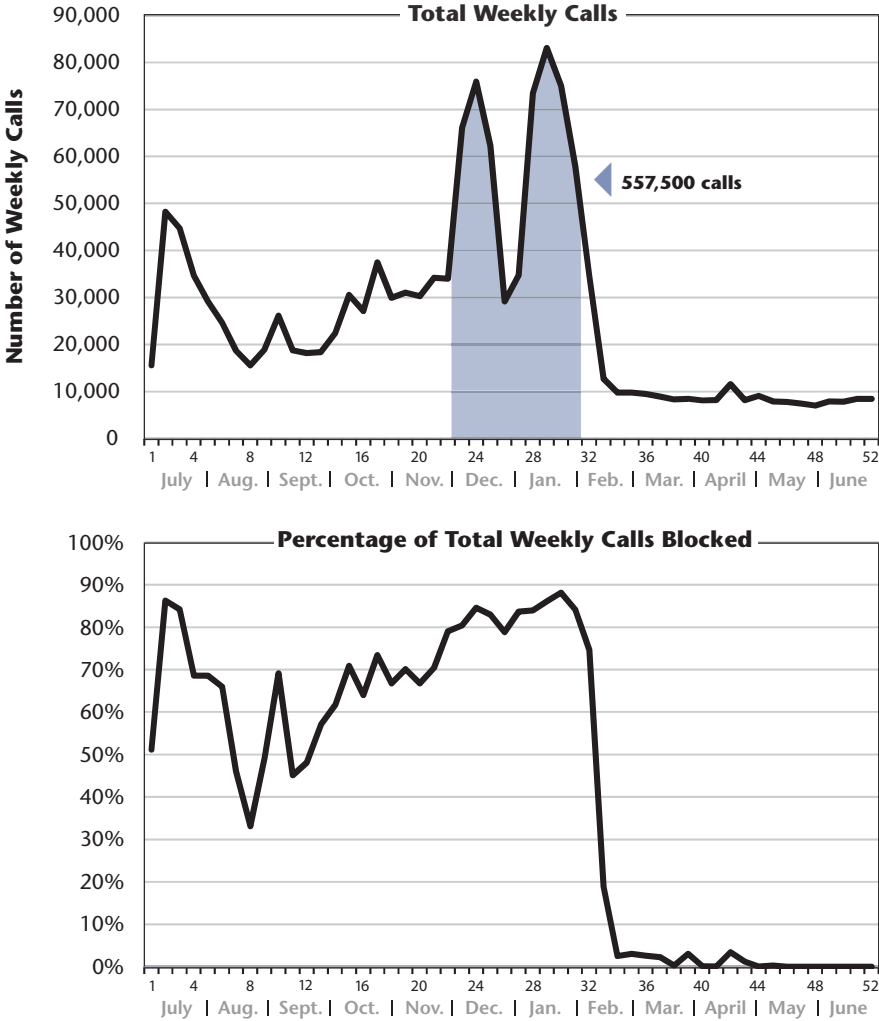


¹ Telephone calls blocked because a queue was full.

Figure 3 shows the total weekly calls to the telephone line for inquiries and the percentage of those calls that were blocked. Most calls were blocked from July 2013 through February 2014. In particular, more than 80.0 percent of 557,500 calls were blocked from December 2013 through January 2014. In contrast, less than 15.0 percent of the 210,800 calls from February 2014 through June 2014 were blocked.

Figure 3

**DWD’s Unemployment Benefits Call Centers: Telephone Line for Inquiries
Total Weekly Calls and the Percentage Blocked in FY 2013-14¹**



¹ Telephone calls blocked because a queue was full.

In anticipation of increased numbers of calls in December 2013 and January 2014, DWD indicated that it added 20 limited-term employee (LTE) staff positions to its call centers in October 2013, and that most of these staff worked there until April 2014. In addition, DWD indicated that it extended call center hours during the workweek, staffed the call centers on weekends, limited staff vacation time, and required staff to work overtime. However, as noted, these efforts were insufficient to prevent many calls from being blocked.

DWD is taking steps to reduce the likelihood that large numbers of calls will be blocked in December 2014 and January 2015, when many individuals may attempt to file. In October 2014, DWD indicated that it upgraded its computer system so that individuals can access their unemployment benefits history online. DWD expects this upgrade to reduce the number of calls to the inquiries telephone line. It plans to hire additional LTEs and to task up to 190 Division of Unemployment Insurance staff who do not work in the call centers but have remote access to the telephone system to help answer calls to the inquiries telephone line. Doing so will allow the call centers to focus on answering calls to the telephone line for initial claims.

In November 2014, DWD implemented a new computer system to process initial claims filed online.

In November 2014, DWD implemented a new computer system to process initial claims filed online. DWD indicated that the system allows most individuals who worked for multiple employers in Wisconsin to file online. However, individuals who worked outside Wisconsin will still need to contact the call centers because the new system is unable to verify employment in other states. We note that DWD had informed the Joint Legislative Audit Committee in April 2014 that this new system would be implemented shortly thereafter.

We contacted the four states surrounding Wisconsin in order to determine the extent to which individuals can file initial claims online. According to officials in those four states, individuals in Minnesota and Iowa can file all initial claims online without needing to speak with state staff. In Illinois and Michigan, individuals can also file claims online, but state staff will contact them to ask for additional information if the individuals report having worked in other states. A number of factors, such as differences in state unemployment law, may explain the different functionality between the computer systems in Wisconsin and other states.

It can be challenging for DWD to handle significant, temporary increases in calls during certain times of the year. The extent to which DWD's new computer system will allow individuals to file initial claims online, thereby reducing the number of individuals

who attempt to contact the call centers, is unknown. Assigning additional staff to answer calls will likely help to reduce the number of blocked calls. In addition, DWD expects that because federal unemployment benefits are not expiring this year, fewer individuals are likely to call with inquiries.

DWD may need to take additional action if large numbers of calls are blocked in the coming months.

If the steps that DWD has planned are insufficient and large numbers of calls are blocked in the coming months, when many individuals may attempt to file initial claims, DWD may need to take additional action. Such action could include:

- allowing more individuals to remain on hold in a queue or allowing more than 299 individuals to file initial claims simultaneously through its automated telephone system;
- making additional telephone lines available to individuals attempting to file initial claims; and
- allowing all individuals to file initial claims online.

Recommendation

We recommend the Department of Workforce Development report to the Joint Legislative Audit Committee by March 16, 2015, on the numbers of answered, abandoned, and blocked calls to its unemployment benefits call centers each month from November 2014 through February 2015.

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Appeals ■

Individuals and employers can appeal unemployment benefits decisions to DWD's administrative law judges and then to the Labor and Industry Review Commission.

Federal law requires each state to have a process that individuals and employers can use to appeal unemployment benefits decisions. It also requires this process to reasonably ensure that hearings and decisions occur as promptly as is administratively feasible. In Wisconsin, individuals and employers may appeal DWD's unemployment benefits decisions to DWD's administrative law judges, whose decisions may then be appealed to the Labor and Industry Review Commission. We found that DWD has improved the timeliness of appeal decisions issued by its administrative law judges in recent years.

Appeals Filed

Through June 2014, DWD's administrative law judges decided 68,900 appeals that individuals and employers had filed from FY 2011-12 through FY 2013-14. The most-common reasons for these appeals pertained to:

- employer-initiated separation, which included 19,400 appeals over whether an individual was, for example, laid off and thus eligible for unemployment benefits, or fired for cause and thus ineligible for unemployment benefits;
- employee-initiated separation, which included 8,900 appeals over whether an individual quit

employment for statutorily specified reasons, such as to stay at home to care for a child and thus was eligible for unemployment benefits, or whether an individual did not quit for such reasons and thus was ineligible for unemployment benefits; and

- whether an individual was able and available to work and thus was eligible to receive unemployment benefits. This included 4,400 appeals.

DWD's administrative law judges also decided 36,200 appeals that pertained to 32 other reasons, such as appeals involving wage discrepancies and work-search requirements.

After DWD's administrative law judges had provided their appeal decisions, individuals, employers, and DWD subsequently appealed some of those decisions to the Labor and Industry Review Commission. Through June 2014, the Labor and Industry Review Commission decided 7,500 appeals that had originally been filed with DWD's administrative law judges from FY 2011-12 through FY 2013-14.

We determined the results, through June 2014, of all 68,900 appeals that had been filed from FY 2011-12 through FY 2013-14. These included:

- 61,400 appeals decided by DWD's administrative law judges and that either had not been appealed to the Labor and Industry Review Commission or had been appealed to but not yet decided by the Labor and Industry Review Commission through June 2014; and
- 7,500 appeals appealed to and decided by the Labor and Industry Review Commission through June 2014.

We found that 64.9 percent of DWD's unemployment benefits decisions were upheld by either administrative law judges or the Labor and Industry Review Commission.

As shown in Table 8, 64.9 percent of DWD's unemployment benefits decisions were upheld by either administrative law judges or, if applicable, the Labor and Industry Review Commission. DWD's decisions were upheld 62.2 percent of the time when individuals filed appeals and 74.5 percent of the time when employers filed appeals.

Table 8

Results of Appeals of Unemployment Benefits Decisions¹
 Appeals Filed from FY 2011-12 through FY 2013-14 and Decided through June 2014

Unemployment Benefits Decision	Appeals Initially Filed by Individuals	Appeals Initially Filed by Employers	Total	Percentage of Total
Upheld ²	33,500	11,100	44,700	64.9%
Overtured	20,400	3,800	24,200	35.1
Total	53,900	14,900	68,900	100.0%

¹ Results reflect the decision of either administrative law judges or, if applicable, the Labor and Industry Review Commission.

² Includes appeals dismissed or withdrawn after being filed.

Timeliness

Federal law requires states to issue decisions for at least 60.0 percent of all appeals in a 12-month period within 30 days of the date of appeal, and at least 80.0 percent within 45 days. In Wisconsin, the timeliness requirements apply to appeals handled by DWD’s administrative law judges.

DWD’s administrative law judges generally issued appeals decisions faster than required by federal law.

In the period we reviewed, DWD’s administrative law judges generally issued appeals decisions faster than required by federal law. As shown in Table 9, administrative law judges issued only 45.8 percent of decisions within 30 days in FY 2011-12, but they issued more than two-thirds of decisions within 30 days in the two subsequent fiscal years. They issued more than 80.0 percent of decisions within 45 days in all three fiscal years.

Table 9

Timeliness of Appeals of Unemployment Benefits Decisions Issued by DWD’s Administrative Law Judges¹

Fiscal Year	Total	Decisions Issued within 30 Days		Decisions Issued within 45 Days	
		Number	Percentage	Number	Percentage
2011-12	24,900	11,400	45.8%	21,600	86.7%
2012-13	23,600	15,900	67.4	22,100	93.6
2013-14	20,300	14,100	69.5	19,000	93.6

¹ Includes decisions resulting from dismissed and withdrawn appeals.

If a state does not meet either of the two timeliness requirements for a 12-month period that begins in April and ends in March, it must submit to the U.S. Department of Labor a plan that shows how the state will meet the timeliness requirements in the following 12-month period. Because DWD's administrative law judges issued less than 60.0 percent of appeals decisions within 30 days from April 2011 through March 2012, DWD filed an improvement plan. This plan indicated that DWD would hire additional administrative law judges and take steps to improve the timeliness of the appeals process.

DWD indicated that it implemented the improvement plan's provisions, including hiring additional administrative law judges in 2013 and 2014. However, it indicated that other administrative law judges resigned in these years. We found that the number of filled full-time equivalent (FTE) staff positions for administrative law judges decreased in recent years. For example, the number of filled FTE staff positions was:

- 33.0 on July 1, 2011;
- 25.2 on July 1, 2012;
- 25.2 on July 1, 2013; and
- 25.2 on July 1, 2014.

DWD indicated that it has taken steps to improve the timeliness of appeals, including by hiring a Deputy Director in the Bureau of Legal Affairs in July 2012. It also indicated that it developed standardized language for administrative law judges to use in writing appeals decisions and scheduled quarterly training for administrative law judges, instead of the annual training that it had previously provided.

Wisconsin was third among seven midwestern states in the average number of days that appeals cases were pending.

The timeliness of a state's appeals process can also be measured by determining the average number of days that filed appeals have not yet been decided by administrative law judges. Federal law requires the time that appeals are pending must average 30 days or less over a 12-month period. As shown in Table 10, appeals cases in Wisconsin were pending for an average of 19.0 days from April 2013 through March 2014. This average was third-best among seven midwestern states.

Table 10

**Average Number of Days Appeals Cases Were
Pending in Selected Midwestern States**
April 2013 through March 2014

	Days
Minnesota	13.1
Ohio	15.8
Wisconsin	19.0
Iowa	20.7
Illinois	21.0
Indiana	47.4
Michigan	60.3

■ ■ ■ ■

Efforts to Recoup Overpayments ■

Individuals are sometimes paid more unemployment benefits than they are entitled to receive.

Individuals are sometimes paid more unemployment benefits than they are entitled to receive. This can occur unintentionally, such as if individuals inadvertently provide DWD with incorrect information that is used to calculate weekly benefit amounts. Overpayments can also occur if individuals intentionally provide incorrect information. We analyzed DWD's efforts to detect and recoup overpayments. We provide a recommendation that DWD improve how it reports the results of its efforts to recoup payments.

Detecting Overpayments

To detect overpayments, DWD maintains telephone hotlines that the public and employers can use to report individuals alleged to have been paid more benefits than they were entitled to be paid. In addition, it relies on other types of information, such as:

- wage and staffing reports submitted by employers;
- vital records, Social Security Administration information, and other data on individuals who are deceased or imprisoned and, thus, ineligible for benefits; and
- new-hire directories that list individuals who are employed and, thus, may be ineligible for benefits. These directories are maintained by DWD and the federal government and are based on employer-provided information.

Although the available information allows DWD to prevent some overpayments, other overpayments are detected only after the individuals were paid benefits. For example, DWD may detect overpayments when it compares wage information previously provided by individuals with quarterly wage reports provided by employers. Overpayments may occur over multiple weeks and for multiple reasons. When an individual fails to perform the statutorily required work searches over multiple weeks and is not able and available to work during this period, DWD considers the overall excess benefit amount paid to be one overpayment.

Overpayments can occur for a number of reasons, including:

- an individual unintentionally provided inaccurate information that resulted in a larger benefit than the individual was entitled to be paid;
- an individual intentionally provided inaccurate information that resulted in a larger benefit than the individual was entitled to be paid;
- through no fault, which can occur, for example, if an individual was paid benefits based on accurate information but was later awarded back-pay from his or her employer, thereby reducing the amount of benefits that should have been paid;
- DWD made an error in determining the amount of benefits paid; and
- multiple parties made errors, such as an individual and an employer who provided inaccurate wage information to DWD.

If an individual intentionally provided inaccurate information to DWD, the individual must repay the full amount of benefits for each week the individual provided inaccurate information. In addition, statutes require that such individuals are ineligible for benefits for a period of time based on the amount of benefits the individual was paid as a result of intentionally providing inaccurate information and on the number of prior times that the individual had intentionally provided inaccurate information. In contrast, if an individual unintentionally provided inaccurate information to DWD, the individual is generally required to repay only the amount of ineligible benefits.

Individuals who unintentionally provided inaccurate information accounted for 84.7 percent of the number of overpayments DWD identified from FY 2011-12 through FY 2013-14.

As shown in Table 11, individuals who unintentionally provided inaccurate information accounted for 84.7 percent of the number of overpayments DWD identified from FY 2011-12 through FY 2013-14. These overpayments totaled \$61.8 million. Individuals who intentionally provided inaccurate information accounted for 9.5 percent of the number of overpayments that DWD identified, and these overpayments totaled \$86.3 million.

Table 11

**Overpayments of Unemployment Benefits Identified by DWD, by Reason
FY 2011-12 through FY 2013-14**

Reason	Number	Percentage of Total	Amount (in millions)	Percentage of Total
Individual Fault (unintentional)	577,000	84.7%	\$ 61.8	36.8%
Individual Fault (intentional)	64,700	9.5	86.3	51.4
No Fault	27,100	4.0	11.4	6.8
DWD Error	6,700	1.0	4.6	2.7
Multiple Party Errors	3,300	0.5	3.6	2.1
Other ¹	2,600	0.4	0.2	0.1
Total	681,400	100.0%	\$167.9	100.0%

¹ Includes overpayments made from a now-discontinued federal program funded by the American Recovery and Reinvestment Act of 2009.

2011 Wisconsin Act 236, which was enacted in April 2012, requires DWD to impose a 15.0 percent penalty on all overpayments made because an individual intentionally provided inaccurate information relating to his or her eligibility for benefits, wages earned, or hours worked. Act 236 required the penalties to be assessed starting in October 2012. DWD assessed \$0.7 million in penalties in FY 2012-13 and \$2.9 million in FY 2013-14.

Waivers and Write-Offs

DWD does not attempt to recoup all identified overpayments. Statutes require it to waive recoupment if an overpayment occurred because of a DWD error that was not the result of an individual intentionally providing inaccurate information that was used to determine eligibility or weekly benefit amounts. Federal law requires DWD to waive recoupment of federally funded trade adjustment assistance benefits in certain circumstances, such as when individuals unintentionally provided inaccurate information.

In addition, DWD writes off overpayments for a number of reasons, such as if an individual dies or is declared insolvent by a bankruptcy court and DWD does not have creditor status.

Through June 2014, DWD waived \$4.7 million and wrote off \$1.8 million of \$167.9 million in overpayments it had identified from FY 2011-12 through FY 2013-14.

Through June 2014, DWD waived \$4.7 million and wrote off \$1.8 million of the \$167.9 million in overpayments it had identified from FY 2011-12 through FY 2013-14, as shown in Table 12. The amount waived represented 2.8 percent of the amount of overpayments identified, and the amount written off represented 1.1 percent of the amount of overpayments identified.

Table 12

Overpayment of Unemployment Benefits Waived and Written Off by DWD through June 2014, by the Fiscal Year the Overpayments Were Identified (in millions)

Fiscal Year	Identified	Waived		Written Off	
		Amount	Percentage	Amount	Percentage
2011-12	\$ 74.3	\$2.7	3.6%	\$1.0	1.3%
2012-13	50.2	1.2	2.4	0.6	1.2
2013-14	43.4	0.7	1.6	0.2	0.5
Total	\$167.9	\$4.7	2.8	\$1.8	1.1

Non-Automated Claims

When DWD determines that it paid an incorrect amount of benefits in prior weeks, it determines through a process known as “non-automated claims” the correct amount that should have been paid. In some instances, DWD may have overpaid an individual. In other instances, an individual may have successfully appealed a DWD decision and, therefore, is entitled to benefits that had not been paid in prior weeks. When federally funded emergency benefits and federally funded extended benefits were available, DWD may also have needed to determine the extent to which a federally funded program needed either to pay additional benefits or be credited with a portion of excessive benefits that had been paid. If DWD determines that individuals were paid more benefits than they were entitled to be paid, it may temporarily stop paying benefits to those individuals until it can determine the excessive amounts that were paid.

DWD indicated that the backlog of non-automated claims was largely eliminated early in 2014.

In summer 2012, DWD reported there was a backlog of more than 10,000 non-automated claims with a wait time of 12 weeks or longer. DWD indicated that the backlog occurred, in part, because it needed to determine the extent to which federally funded benefits were affected by the need to adjust benefits already paid. DWD provided us with summary information indicating that the backlog of non-automated claims was largely eliminated early in 2014.

Recouping Overpayments

DWD uses a variety of methods to recoup overpayments, including reducing future benefit amounts and intercepting an individual's federal or state income tax refund. If an individual is not being paid benefits and cannot repay the entire amount at once, DWD may establish a plan that allows the individual to repay over time. If an individual does not agree to such a plan or misses required payments, DWD is statutorily authorized to obtain court orders allowing it to seize property or garnish wages. DWD indicated that it does not attempt to obtain a court order if an individual owes less than \$500.

The total amount of overpayments recouped by DWD declined steadily from FY 2011-12 through FY 2013-14.

As shown in Table 13, the total amount of overpayments recouped by DWD declined steadily from FY 2011-12 through FY 2013-14.

Table 13

Total Overpayments of Unemployment Benefits Recouped by DWD (in millions)

Fiscal Year	Amount
2011-12	\$ 51.7
2012-13	49.0
2013-14	42.3
Total	\$142.9

Because it typically takes years to fully recoup overpayments, the total amount that DWD recoups in a given year includes overpayments that DWD had identified in prior years. As shown in Table 14, 37.1 percent of the \$42.3 million in overpayments recouped in FY 2013-14 was identified in that fiscal year. The \$42.3 million

included overpayments that DWD had identified over the prior 26 years, including \$10 that it had identified in FY 1987-88.

Table 14

**Overpayments of Unemployment Benefits Recouped in FY 2013-14,
by the Fiscal Year the Overpayments Were Identified
(in millions)**

Fiscal Year Identified	Recouped in FY 2013-14	Percentage of Total
2013-14	\$15.7	37.1%
2012-13	11.2	26.5
2011-12	6.8	16.1
2010-11	4.6	10.9
2009-10	2.2	5.2
2008-09 and Earlier	1.8	4.3
Total	\$42.3	100.0%

Statutes allow DWD to refer to local district attorneys cases that it believes may involve the intentional misrepresentation of information. DWD indicated that it considers referring cases that involve overpayments of \$5,000 or more and include at least five allegations of intentional misrepresentation. DWD uses other criteria, such as strength of available evidence, to select the specific cases referred for possible prosecution. It also funds a 0.5 FTE staff position at the Department of Justice to pursue such prosecutions. From 2011 through 2013, DWD referred 90 cases to district attorneys and the Department of Justice. As of October 2014, 67 of the 90 cases, or 74.4 percent, had been prosecuted and resulted in pleas of guilty or no contest. A total of 14 cases were pending, while the remaining 9 cases were dismissed, not prosecuted, or resulted in deferred prosecution agreements.

DWD is statutorily required to report to the Unemployment Insurance Advisory Council no later than March 15 of each year on its efforts to detect and prosecute Unemployment Insurance fraud in the preceding year. Statutes created the Council, which includes five representatives of employers and five representatives of employees, to advise DWD on matters related to unemployment insurance and make recommendations for changes to the Legislature.

DWD could more clearly report on its efforts to detect and prosecute Unemployment Insurance fraud.

We reviewed DWD's March 2014 report to the Council and found that some information could have been presented more clearly. The report indicates that in 2013, DWD identified \$24.8 million in overpayments that resulted from intentional misrepresentations, which are instances when individuals intentionally provided inaccurate information. The report further indicates that DWD recouped \$24.0 million in overpayments that resulted from intentional misrepresentations, and that this amount equates to a 97.0 percent rate of recoupment. However, this percentage is overstated because almost all of the \$24.0 million recouped in 2013 had been identified in prior years. We found that DWD's data indicate that DWD actually recouped \$2.3 million of the overpayments identified in 2013 as having resulted from intentional misrepresentations. This amount equates to a 9.5 percent rate of recoupment.

Recommendation

We recommend the Department of Workforce Development:

- *specify in its statutorily required annual reports to the Unemployment Insurance Advisory Council the years in which all recouped overpayments were identified; and*
- *provide a copy of the March 2015 report to the Joint Legislative Audit Committee by March 16, 2015.*

■ ■ ■ ■

December 8, 2014

Joe Chrisman
State Auditor
Legislative Audit Bureau
22 E. Mifflin Street, Suite 500
Madison, WI 53703

Dear Mr. Chrisman,

Thank you for the opportunity to respond to the Legislative Audit Bureau's (LAB) report on the processing of Unemployment Insurance (UI) claims. The Department of Workforce Development (DWD) appreciates the Audit Bureau's extensive analysis and we will implement LAB's two recommendations, both relating to future reports. We offer the following observations and additional context about Wisconsin's UI system and our ongoing commitment to deliver outstanding customer service.

Historic Reforms, System Enhancements Improve UI System

The 2013 legislative session brought about historic and much-needed reforms to improve the program integrity and cost-effectiveness of Wisconsin's UI system. In addition, with the state's unemployment rate reaching a new post-Recession low of 5.4% in October 2014 and tens of thousands of jobs being added every year since Governor Walker took office in 2011, we are also benefiting from an improved economy in which working families are finding new opportunities and becoming reemployed. Finally, DWD this fall introduced significant improvements to its online system to file and track the progress of UI claims, which will enable many more claimants to complete their claims and obtain information that previously may have also required a call to one of our claims specialists to resolve. These changes are reflective of the progress we have made to improve our state's UI system.

At DWD, we are committed to exceptional customer service and will continue to bring additional enhancements and efficiencies to our UI system that harness modern technology, promote accuracy and timeliness, and protect the taxpayer.

Great Recession Brought Extraordinary Challenges to UI System

As with many other states, the deep, national recession brought unprecedented numbers of claims for UI benefits in Wisconsin as individuals were dislocated from employment through no fault of their own.

Complicating the issue was the elevated number of weeks when UI was available during the Great Recession. As the LAB report notes, the maximum length of UI benefits a claimant could receive reached 99 weeks in Wisconsin during the recession, up from the 26-week maximum that was previously available and is available to claimants today. During the winter of 2013-2014, uncertainty about the federal Emergency Unemployment Compensation program triggered a further spike in call volume.

DWD in 2012 began taking the steps necessary to maximize the use of technology and automation to improve customer service, reduce the potential for error, and bring long-term solutions to the recurring challenge of a telephone-based claims system in managing sharp spikes in activity during certain points of the year. The agency began online modernization efforts that include the enhancements that have been

implemented this fall for both our initial UI and inquiry systems.

It is important to note that the number of blocked calls in 2013-14 is not reflective of the number of individual callers. We know that the number of calls goes up dramatically when individuals get recurring busy signals. Internal estimates show that each call in which a caller does not reach an agent results in an average of more than four additional calls.

Report Recognizes DWD's Preventive Steps, Ongoing Improvements to Serve Customers

We appreciate the LAB's comprehensive analysis and would like to comment on LAB's two recommendations, both of which call for additional reporting that we will fully implement. We thank the LAB for highlighting:

- DWD has taken steps following last winter's peak calling season to prevent similar difficulties from recurring this season. We would like to take this opportunity to elaborate on the measures that have already been put into place. They include:
 - Dramatic improvements to DWD's online claim filing system, which took effect in October and November 2014 and are actively being promoted to claimants through direct mailings, messages on our automated phone system and other measures.
 - Hiring additional limited-term staff and cross-training existing DWD staff to assist the UI Call Center during times of particularly high call volume. Altogether, more than 200 additional staff can step in to assist the permanent Call Center staff.
 - Extending call center hours as needed to accommodate increases in call volume, including during select weeks such as Christmas and New Year's, when state offices are closed two of five week days.
 - Encouraging claimants who prefer to file by phone to call on particular days of the week to help distribute the volume more evenly across the week and alleviate particularly high volumes on Mondays.
- DWD will be closely monitoring call volume and will adjust "surge" staffing and take other steps if customer service standards are not being met in the coming months. We would like to point out that instances of blocked calls in the queue have been completely eliminated since early May 2014. We are proceeding with additional modernization and automation efforts to further maximize the efficiency of our UI system.
- DWD has improved the timeliness of appeal decisions issued by our Administrative Law Judges (ALJs) in recent years. Today, Wisconsin is consistently exceeding federal timeliness standards for ALJ decisions.
- DWD dramatically reduced the wait time for non-automated claims in 2013, and as of March 2014, any potential "backlog" has been functionally eliminated. The current processing time for a non-automated claim is under four days.

DWD will implement LAB's Two Recommendations

We will report to the Committee by March 2015 on the number of answered, abandoned and blocked calls during the current busy season, per the LAB's recommendation.

DWD will implement the LAB's second recommendation that DWD include an annual breakdown showing when recouped overpayments are identified. In doing so, we also offer the following additional points:

- The overpayment recoupment rate on which the LAB focuses its recommendation is consistent with the federal overpayment recovery measures and is defined as the amount of improper overpayments recovered divided by the amount of improper overpayments identified within the same year, expressed as a percentage. The U.S. Department of Labor (USDOL) includes this measure in its annual Improper Payment Recapture Activities report.
- Providing a more specific breakdown per LAB's recommendation will give broader context for this measure in Wisconsin. We would offer that this breakdown be provided along with the current overpayment recoupment rate so that we remain consistent with the federally defined measure as included in the USDOL's report.

Conclusion

The seasonal increase in claims activity seen in cold-weather states like Wisconsin is an annual occurrence. And, as with call centers in the private sector, UI call centers may experience brief "peak" periods in which call volume may exceed physical capacity.

Recognizing this, DWD has worked to implement an effective, convenient and user-friendly online system to file initial and continuing claims, which will enable claimants to file and complete a claim at their convenience from their personal computer, smart phone, or tablet seven days a week.

This change will also greatly reduce the need for claimants to call DWD to complete their claim, increasing customer satisfaction and reducing costs to taxpayers while ensuring that claimants can still access DWD staff on a timely basis should they need assistance completing their claim. We look forward to a dramatically expanded use of our online system following these initial enhancements, which aligns with DWD's long-term strategy of receiving virtually all UI claims through the Internet rather than by phone.

Thank you again for the opportunity to respond to the report and for the courtesy extended by the LAB staff during the course of their comprehensive review.

Sincerely,



Reggie Newson
Secretary