

# DWD: Moving Ahead with Unemployment Insurance IT Modernization Project

Posted on Thursday, Mar 18, 2021

>> **WisPolitics is now on the State Affairs network. Get custom keyword notifications, bill tracking and all WisPolitics content. [Get the app or access via desktop.](#)**

CONTACT: DWD Communications, 608-266-2722

MADISON – The Department of Workforce Development (DWD) announced today that it is moving forward without legislative funding to begin the process to modernize Wisconsin’s outdated Unemployment Insurance (UI) computer system. New federal grant funding allowed DWD to contract with technology consulting experts who will advise the Department through a procurement process, beginning with an expedited competitive purchase of an integrated cloud-based communications center that will allow people to easily access claims information by phone 24 hours a day, seven days a week.

“Typically, it can take over a year just to lay out the requirements for a full system overhaul of this scale,” DWD Secretary-designee Amy Pechacek said. “The department is on an aggressive timeline to begin a full-scale modernization of the UI system, so we’ve worked to start this project as quickly as possible. Building on DWD’s success over the past four months, we are taking a nimbler approach to modernization that can provide faster results with the federal funding that is available.”

DWD signed a Memorandum of Understanding on March 9 to receive no-cost preliminary consulting services from U.S. Digital Response (USDR), a nonprofit, nonpartisan organization focused on helping governments respond quickly and efficiently to support critical public needs. USDR will help lay the framework for DWD’s modernization project, including developing short- and long-term goals and plans. Using USDR will reduce the charges to DWD for its paid-for consulting. This

technical consultation with USDR is in addition to a partnership with 18F, part of the Technology Transformation Services (TTS), within the federal government's General Services Administration that collaborates with other agencies to design, develop, and buy digital services to improve how government serves the public through technology.

Taking advantage of \$2.4 million in new federal funding that became available on March 8, DWD signed a \$1.2-million-contract with 18F on March 16 to develop specific requirements and help build DWD's requests for proposals from potential vendors for the next phases of its comprehensive UI modernization project. DWD plans to take an agile approach to modernization, prioritizing immediate needs first and bringing in vendors that can begin updating pieces of the massive IT infrastructure right away.

"Modernizing the Unemployment Insurance (UI) system through an agile procurement process will reduce risk, improve outcomes, increase flexibility, and ensure contracts are awarded faster and to the most qualified industry partners," said FAS Deputy Commissioner and TTS Director, Dave Zvenyach. "We are excited and honored to be partnering with the DWD team as they begin their modernization journey."

Once it is awarded, the first phase of DWD's IT modernization project will be an integrated cloud-based phone and messaging center. This updated communications center will allow for customer service responsiveness on claims information at any time, eliminating the need for restricted call center hours, as well as offer the Department tools to efficiently respond to program changes and better monitor and analyze agent performance. The new federal funds allow DWD to move forward with selecting a vendor for this aspect of the modernization project, which the Department will do through a cooperative purchasing agreement. DWD released the requirements and bid specifications that will drive its competitive procurement decisions to potential vendors on March 16, 2021.

DWD has long been calling attention to its antiquated system, which limited its customer service options and slowed the processing of unemployment claims both during the Great Recession and the COVID-19 pandemic. It also forced the Department to delay implementation of new federal unemployment programs and extensions created in response to the pandemic. The Department showcased the challenges in an [informational briefing](#) earlier this year.

Gov. Evers' Special Session Senate Bill 1 (SS SB 1), now 2021 Act 4, went into effect on Feb. 26. Although the bill did not provide any funding for the modernization project that Gov. Evers requested, the governor called the bill a "first step." Act 4 required DWD to issue a request for proposals by March 29, 2021 and undertake the modernization project by June 30. Act 4 also provided the Governor additional authority to waive procurement requirements when necessary to help expedite the process. Because Gov. Evers waived the RFP requirements to allow DWD to contract with a vendor, DWD was able to select 18F out of a handful of qualified consultants and contract with 18F. DWD is now ahead of schedule with its modernization process

While the Legislature voted to eliminate the governor's proposed funding to initiate and make the first installment of payments on modernization in SS SB 1, the Governor has proposed full funding for the project in his 2021-23 Executive Budget.

Related contracts and other documents can be found on DWD's website [here](#).