

Wisconsin Technology Council President Still: “A ‘perfect storm’ in Wisconsin jobless claims prompted tech overhaul”

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MADISON, Wis. – It was not a pleasant time in the Wisconsin Department of Workforce Development. The start of the COVID pandemic in early 2020 prompted a surge of unemployment claims as thousands of people lost their jobs, state call centers were overwhelmed, and a mainframe computer system dating back decades was abruptly exposed as inadequate for the times.

To make matters worse, Wisconsin’s complex jobless rules, the advent of new federal aid programs and political fallout from claim backlogs had turned a complicated problem into a crisis.

“It was really clear to me not long after I arrived (in September 2020) that we were dealing with a perfect storm,” said Secretary-designee Amy Pechacek, who replaced a former secretary ushered out by Gov. Tony Evers. “From staffing to training, from eligibility rules to technology, and from new federal supplements to our own hard-to-read and complete forms, it had all come together.”

Pechacek (pronounced pa-HA-check) came to the role with a background in public administration and, while not professing to be a software engineer, recognized systems needed to be modernized. Some was accomplished by staffing DWD call centers to meet the demands of 7 million incoming calls per month and pulling administrative law judges out of retirement to handle the tougher cases.

The core of the transition from backlogs to getting on top of the pile came from a fresh approach to technology that involved a mix of national players – Google, Flexion, Zendesk and NICE CXone, the first three of which with major offices in Wisconsin.

The legacy mainframe in use at DWD for decades was based on a COBOL coding system (Common Business Oriented Language) developed in the late 1950s. COBOL is still around today, despite the rise of modern general-language programming, and is used mainly for transactional data processing.

When it comes to tapping into artificial intelligence or “machine learning” tasks, however, COBOL is not any coder’s first choice. In fact, it can be hard to find coders who still work on it.

Through an initial partnership with Google Cloud, software was written to better evaluate claims and speed response time, as well as weed out fraudulent claims. Predictive analytics based on historic data helped shorten the time it took to pay eligible jobless claims; the number of staff answering constituent questions grew sharply; and complicated forms were rewritten with the help of analytics that identified bureaucrat-speak that tripped up applicants.

“Some forms were horribly worded,” Pechacek said.

At one point in 2020, half of all unemployment insurance claims took eight weeks or more to be processed. Claimants, state legislators and other observers were livid. Progress was made by late 2020 but some backlogs endured for more than a year, as noted in an April 2022 report from the Center for Research on the Wisconsin Economy at the UW-Madison.

“In February 2022, nearly 7% of first unemployment payments were delayed more than eight weeks,” said Noah Williams, CROWE’s founding director. “Delays are still elevated at a time when UI claims have fallen below pre-pandemic levels.”

Pechacek agrees it took time for solutions to take hold but says technology helped turn the corner. Today, 80% of initial unemployment claims are paid within one to three days. Appeals are also being handled faster. A low statewide jobless rate deserves much of the credit, but Pechacek believes tech updates improved customer service across all DWD programs in addition to reducing the claim backlog.

Following up on Google's early work is Madison-based Flexion, which is helping transition fully away from the COBOL system by integrating off-the-shelf software, cloud-based data and storage, and custom software. Zendesk, a global company with offices in Madison, is used to consolidate customer email inquiries to multiple DWD divisions. NICE CXone is DWD's cloud-based call center, routing calls to live people as needed.

Legislative oversight is still evident as recession rumors persist. In June, Republicans chimed in after the U.S. Government Accountability Office reported a specific pandemic-era benefit program paid white claimants in Wisconsin at twice the rate of black claimants.

All in all, however, the evolving tech transition at Wisconsin's DWD has attracted notice from similar agencies in other states. Pechacek has answered inquiries from counterparts in Arizona, California, Kansas, Michigan, Minnesota and Rhode Island, as well as national groups that focus on workforce benefits and claims.

"We can't operate that way ever again," Pechacek said, referring to the chaos of 2020. The 800,000 or so Wisconsin people whose claims were backlogged that summer would be among the first to agree.