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Gov. Evers Signs Executive Order Calling a Special Session on Unemployment Insurance Modernization

MADISON — Following his 2021 State of the State Address, Gov. Tony Evers signed [Executive Order #103](#) calling a special session of the Legislature at noon on Tues., Jan. 19, 2021, to fix and modernize the state's broken unemployment system. The governor also introduced his plan, LRB-1312, to do just that.

“I’m announcing today I will be calling a special session of the Legislature to take up a plan to modernize our unemployment system and help ensure nothing like this happens to the people of Wisconsin again,” Gov. Evers said in his [State of the State address](#). “We know that replacing this system will take years—that’s why it should’ve been done sooner, but it’s also why we now have not another moment to waste. No politics, no posturing, send me the bill and let’s just get it done.”

Since the beginning of this pandemic, there was an unprecedented influx of unemployment claims, exceeding the number of claims even during the Great Recession. Over the course of four years from 2016 through 2019, the Wisconsin Department of Workforce Development (DWD) handled 7.2 million claims. Since March, the DWD received 8.8 million claims alone—1.6 million more claims than the four previous years combined. The Department increased staffing in the Unemployment Insurance Division from about 500 employees to 1,800 employees to answer phone calls, process claims, and follow up with individuals who applied for benefits. During this time the DWD paid nearly 600,000 claimants more than \$4.6 billion in unemployment insurance benefits.

Gov. Evers' plan, [LRB-1312/LRB-1430](#), appropriates over \$5.3 million so that the DWD can start immediately working toward modernizing the UI system, without having to wait for the conclusion of the budget process. Of this, \$481,700 is for the request for proposal (RFP) process to hire consultants and select a vendor for the modernization, and the remainder is for the initial round of payments under the Master Lease Program. Using the Master Lease Program will help minimize upfront costs while still moving expediently toward upgrades.

Additionally, the bill provides for a potential clawback of state dollars should the federal government provide additional resources to states to fund UI modernization for which this project is eligible. Any federal dollars that are appropriated would need to be used first.

Finally, the bill contains several provisions related to electronic methods for engaging in transactions, such as making electronic communication mandatory, with a good cause exception, and specifically permits the use of electronic records and signatures for UI. These changes will allow for more efficient communication with and service to claimants, employers, and other entities.

Overall, the proposed investment would total approximately \$90 million over 10 years toward modernization to provide better, faster services to future claimants and improve the system’s ability to respond to future recessions.

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