

Department of Workforce Development
Secretary's Office
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Tony Evers, Governor
Caleb Frostman, Secretary

December 11, 2019

State Representative Warren Petryk
Room 103 West
State Capitol
PO Box 8953
Madison, WI 53708

State Representative James Edming
Room 109 West
State Capitol
PO Box 8952
Madison, WI 53708

****HAND DELIVERED****

Dear Representatives:

Thank you for contacting me regarding the closure of leased spaces used for in-person unemployment insurance (UI) appeal hearings. As a native of northern Wisconsin, I can appreciate your concerns about residents' ability to access state services and am happy to clear up any misconceptions you may have regarding the impact this decision will have on our shared constituents. I can assure you that all claimants and employers around the state will continue to have convenient access to high-quality appeal processes, both in-person and by telephone, not requiring travel to Milwaukee or Madison.

As you have heard, the Department of Workforce Development (DWD) will not renew leases for hearing offices located in Eau Claire, Appleton, and Madison. They are slated to close in March 2020. Staff were provided the opportunity to either work remotely or relocate to DWD headquarters at GEF-1 in Madison. Staff from the Madison Hearing Office already relocated to GEF-1 last month. As a result of the three office closures, the Department will continue delivering the same quality customer service to UI claimants and employers, while also saving nearly \$350,000 annually, which will be reinvested in system improvements, benefitting all stakeholders.

It is important to note that these hearing offices do not offer direct services to claimants. Assistance with unemployment insurance services will continue to be offered at local Job Centers across the state and at <https://dwd.wisconsin.gov/uiben/>.

The decision to close these facilities was based on several factors, including reduced federal funding and the desire to offer better customer service through increased efficiencies. Further, federal regulations do not allow states to use their UI administration grant to lease vacant space and facilities. Due to the decline in UI claims and subsequently UI appeals, coupled with the growing trend and desire of participants for more telephone hearings, these facilities now contain a large amount of vacant space that DWD is prohibited from paying for through its UI grant.

Telephone hearings are typically more convenient for the parties and are consistent with the practice of most states in our region. Currently, about 80 percent of Wisconsin's UI appeal hearings are held via telephone.

Minnesota, Iowa, Kansas, Ohio and Illinois currently hold over 99 percent of their UI appeal hearings over the phone, with Indiana also operating a predominately telephone-based appeal system.

Despite this trend, situations remain when in-person hearings are both appropriate and preferable. When a UI appeal in northern Wisconsin requires an in-person hearing, hearings will be held in shared space in multiple communities across the region, including in Eau Claire and the Fox Valley where the Department already leases space. The Department will continue to identify additional alternative in-person hearing locations with the assistance of local stakeholders with the intent to reduce the travel distance for those who live in rural communities across the state.

Given changes that have already been implemented, your constituents should not feel any negative impact from the closure of these hearing offices. Historically, hearing offices scheduled and processed appeals for their own offices manually. However, beginning in 2012, modernization of appeal processes and electronic processing have allowed for staff in various offices to be assigned to process work, regardless of which hearing office previously would have been assigned the case.

Offering UI hearings in more convenient locations aligns with the Department's other efforts to bring services directly to our customers, rather than expecting them to come to us. As you may know, we are expanding our job services in local libraries and community centers and have begun offering services through our mobile job center that travels around the state. We encourage the letter's authors to join us at any location or event throughout the state offering DWD services to witness firsthand the great, collaborative work our agency is doing to expand and strengthen Wisconsin's workforce.

Being from northern Wisconsin and having been in constant contact with residents, entrepreneurs, and business owners across the state since taking this role, as well as in my past roles as an economic developer and legislator, I share your commitment to ensuring ease of access to state services like appeal hearings for Unemployment Insurance claims. I look forward to continuing to work with you on providing high-quality, cost-effective workforce services to all Wisconsin residents and businesses.

Thank you for your consideration. I am hopeful that this communication has cleared up any confusion. Please do not hesitate to contact me or DWD's Legislative Liaison, John Keckhaver, with any additional questions you may have.

Sincerely,

Caleb Frostman
Secretary-designee

CC: Ron Tusler
Jim Steineke
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