



State of Wisconsin

Date: April 30, 2026

To: Members of the Joint Committee on Finance and Joint Committee on Information Policy and Technology

From: Department of Administration Secretary Kathy Blumenfeld *Kathy Blumenfeld*

From: Department of Workforce Development Secretary Amy Pechacek *Amy Pechacek*

Subject: 2021 Wisconsin Act 4 Quarterly Report – First Quarter 2026

Pursuant to 2021 Wisconsin Act 4, under Wis. Stat. s. 108.14(27)(e), this report serves to update you on the progress the Department of Workforce Development (DWD) has made on its project to improve the information technology (IT) systems used for processing and paying claims for unemployment insurance (UI) benefits from January 1 to March 31, 2026.

Overview of Modernization of UI Systems

DWD began its benefits systems modernization projects in early 2021, using incremental, flexible, and feedback-driven improvements. One of DWD's first modernization projects was a cloud-based Customer Call Center that provided a web-based call delivery system that provides greater flexibility for agents in taking and responding to calls and in monitoring those calls. Since that time, DWD has undertaken various projects to modernize the suite of Wisconsin's Unemployment Insurance (UI) systems. These efforts include modernization projects to modernize the employer portal, update legacy tools, and enhance security features to assist and identify UI fraud.

These projects have been supported by federal American Rescue Plan Act (ARPA) funds, including \$80 million in State and Local Fiscal Recovery Funds (SLFRF) and \$29 million in U.S. Department of Labor (DOL) grants. Unfortunately, without advance notice, on May 22, 2025, U.S. DOL terminated \$29 million of DWD's modernization grants. DWD requested U.S. DOL to reverse its termination of Wisconsin's grants, citing the modernization delay and wasted use of spent resources that would be a consequence of the termination. Gov. Tony Evers has similarly urged U.S. DOL and President Trump to reverse course and release these investments. To date, the Trump Administration has refused to reverse these damaging cuts, despite their impact to UI modernization, fraud prevention, and efficient service to the people of Wisconsin. Rather, at the end of this quarter, U.S. DOL announced the potential for \$400,000 per state to engage in ID verification services—instead of \$29 million to fund the UI system modernization that would have reduced fraud and increased security.

The \$80 million ARPA-SLFRF modernization funds are insufficient to support the full modernization work and integration of UI IT systems in a cloud-based environment. The UI IT systems, including monetaries, correspondence, adjudication, audit and QA, appeals, and employer portal, are complex and interdependent of each other. DWD is planning to migrate the old code and legacy mainframe objects to a modern language that will be cloud ready. While DWD does not have sufficient funding to ensure the converted code is production-ready, it will be poised to migrate to a cloud-based system as modernization efforts continue in the upcoming years.

Further, DWD will continue its work on the employer portal to improve ease of use, expanded access, and increased functionality to employers. As mentioned previously, due to U.S. DOL's cut to DWD's modernization funds, DWD re-scaled the employer portal project to be "on premise" rather than cloud-based (although it will be able to migrate to the cloud when there are sufficient funds to do so). Even without being cloud-based, the system will have a modern feel and features for employers using the system, as the examples of screenshots below demonstrate.

The cost of updating half-century-old, under-maintained IT systems is substantial. These projects reflect the market rate to overcome generations of disinvestment. For this reason, DWD has strongly and consistently advised federal and state policymakers that technology funding must be ongoing to prevent future large-scale failures. The high project costs are the consequences of deferring system upgrades for 50 years.

Current Update: First Quarter 2026

The work on the modernization projects for this quarter includes:

1. Modernization of the benefits systems:

Manual Processing Reduction: This project takes claims the legacy system cannot process automatically through a modern module and returns the answer to the legacy system to accelerate the claim determination process. DWD identified the manual-processed claims that will be managed by an automated process. This prevents the accumulation of claims requiring hours of manual analysis and processing by creating a calculator, validator, and adjustments tools. During this quarter, DWD nearly completed both the calculator and validator, while the adjustments tool remains in progress. Initial work has begun on the integration of the calculator and validator, which will allow for a tool to simulate and confirm the financial and operational impact of decisions on claims.

Modern Coding Language: This effort modernizes and makes the code consistent for three applications to increase features, introduce security functionality, and improve ease of code development. DWD has made significant progress in upgrading the coding language to support the outward-facing Claimant Portal and the internal facing Worker Portal and UIBNET, which are used by staff to process claims. Development work during the first quarter has focused on code conversation from an older version of .NET to the most current version for workflows within the Claimant and Worker Portals.

2. Modernization of employer systems:

Employer Portal: The project makes code upgrades to retain existing functionality and incorporates modern features Wisconsin employers need to maintain efficiency and flexibility, in a user-friendly format. DWD is working with a vendor to upgrade the coding language that supports the existing employer portal and to outline the screen design for the new solution based on human-centered design principles.

During this quarter, DWD completed the coding that provides enhancements to the registration process with redesigned screens that capture information directly from employer. The employer portal will have expanded secure messaging functionality to include attachments, template messaging for staff, and a direct connection to UI staff responsible for tax support for employers and verification requests for claimants. Finally, the employer portal features redesigned screens for logging in, employer registration, and quarterly tax and wage reporting.

Sample Screenshots

Below are sample screenshots of the electronic forms for the newly developed employer portal. These screens were created to best serve employers.

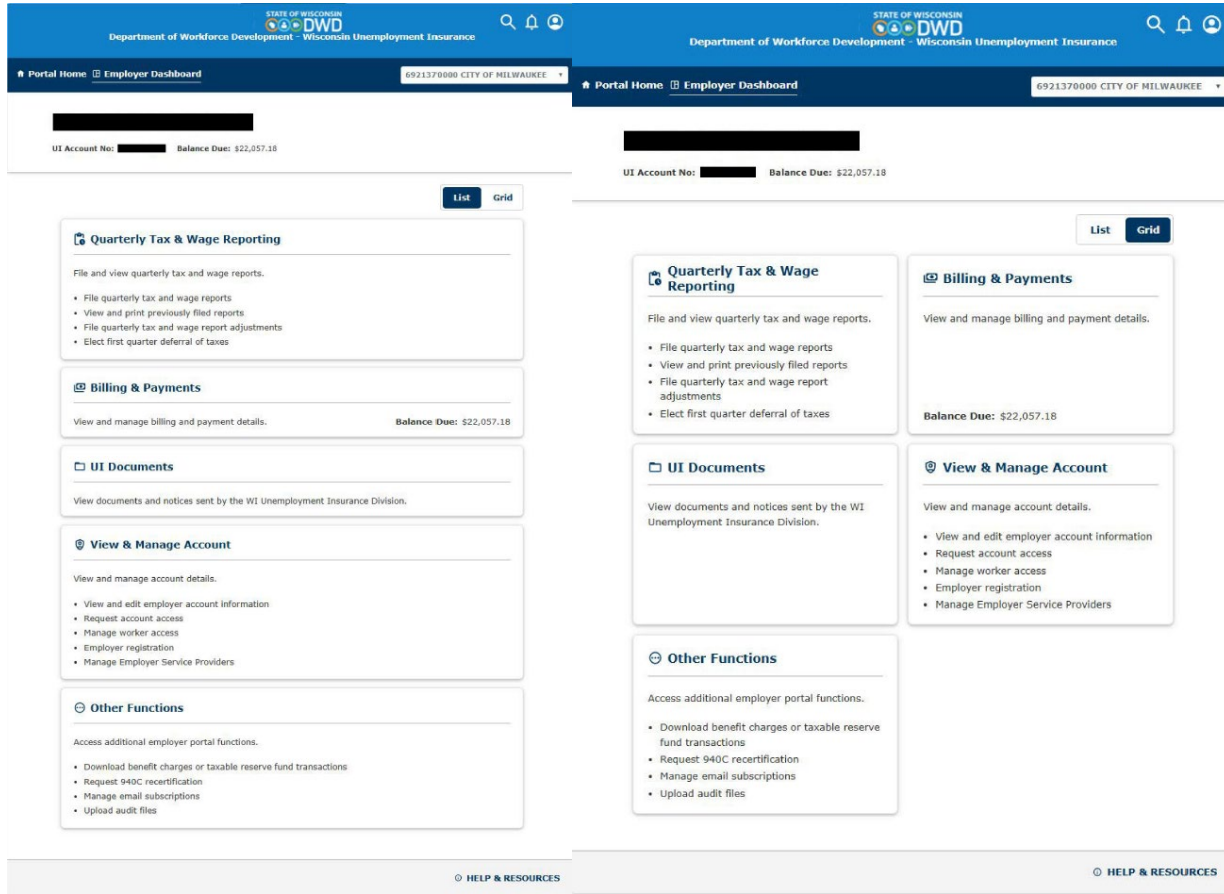


Image 1. Dashboard View – List view (left) and Grid view (right): Showcasing the customization that employers can make to their landing page for the format that works for them.

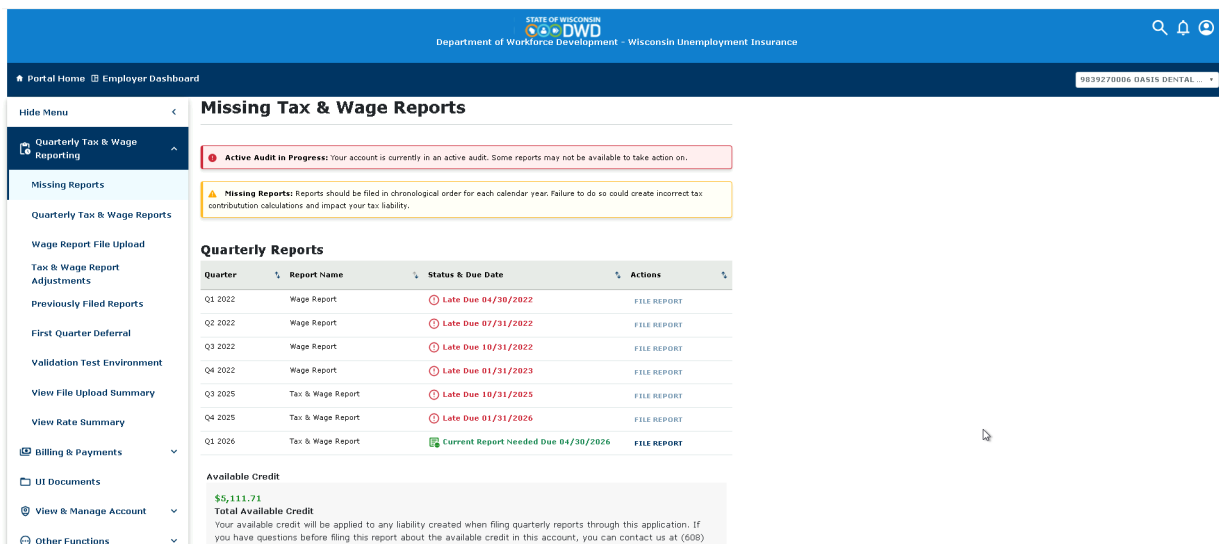


Image 2. Quarterly Tax & Wage Reports Screen: Showcases the enhanced layout of the reporting page.

Wage Entry

Reporting Quarter: Quarter 3, 2022
 Due Date: October 31, 2022

On this screen you will enter quarterly wage amounts for each employee paid in the calendar quarter for the quarter/year you have selected. If you filed a quarterly wage report for any of the two most recently completed calendar quarters, a list of employees from the most recently submitted wage report displays on this screen. A wage amount must be entered for all employees listed. If any employees listed in the wage report were not paid wages during this quarter/year, enter zero for the quarterly wage amount. You may add employees to the wage report or modify existing employee information. To remove an employee, enter a quarterly wage amount of zero and change Save Employee for next quarter to No.

Employee SSN	Employee Last Name	Employee First Name	Employee Quarterly Wages	Save Employee for next quarter?	Correct SSN or Name
[REDACTED]	[REDACTED]	[REDACTED]	\$ 8888.22	Yes <input checked="" type="radio"/> No <input type="radio"/>	Modify
[REDACTED]	[REDACTED]	[REDACTED]	\$ 1000000.00	Yes <input checked="" type="radio"/> No <input type="radio"/>	Modify
[REDACTED]	[REDACTED]	[REDACTED]	\$ 9999.99	Yes <input checked="" type="radio"/> No <input type="radio"/>	Modify
Employees: 3		Total Gross Covered Wages: 0.00			

[Add Employee](#) [Update Total Wages](#) [Save](#) [Previous](#) [Next](#) [Cancel](#)

[Click here if you need to save current progress and finish later.](#)

Image 3a. Current Wage Entry screen: This is the current screen employers use for entering wage information.

Redesigned Employer

STATE OF WISCONSIN **DWD** Department of Workforce Development - Wisconsin Unemployment Insurance

Portal Home Employer Dashboard

Hide Menu

- Quarterly Tax & Wage Reporting
- Missing Reports
- Quarterly Tax & Wage Reports
- Wage Report File Upload
- Tax & Wage Report Adjustments
- Previously Filed Reports
- First Quarter Deferral
- Validation Test Environment
- View File Upload Summary
- View Rate Summary
- Billing & Payments

1 Enter Wages
 2 Enter Taxes
 3 Verify Information

Wage Entry

Reporting Quarter: Q4 2025 Due Date: 1/31/2026

Enter quarterly wage amounts for each employee paid in the quarter. If you filed a quarterly wage report for any of the two most recently completed calendar quarters, a list of employees from the most recently submitted wage report displays on this screen. For employees who were not paid wages during this quarter, enter zero for the quarterly wage amount.

Total Employees: 17 Total Gross Covered Wages: \$14,793,179,596.12

Last Name	First Name	SSN	Quarterly Wages	Actions
[REDACTED]	[REDACTED]	[REDACTED]	\$31,231,231.00	Edit Delete
[REDACTED]	[REDACTED]	[REDACTED]	\$31,231,231.00	Edit Delete
[REDACTED]	[REDACTED]	[REDACTED]	\$2,123,123.00	Edit Delete
[REDACTED]	[REDACTED]	[REDACTED]	\$1,654,531.00	Edit Delete

Image 3b. Redesigned Wage Entry screen: Showcases the enhanced layout of the wage reporting page with the cleaner design.

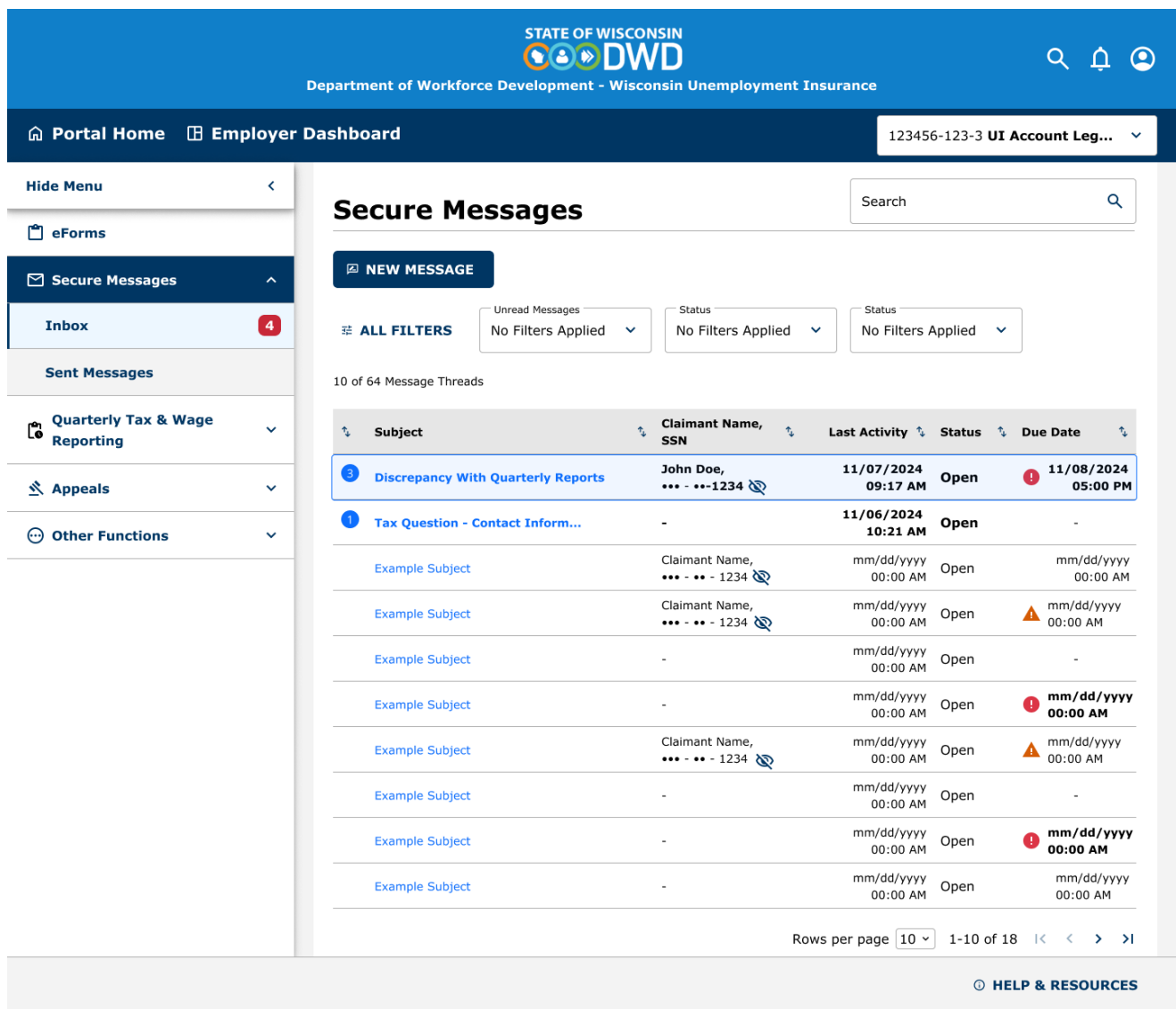


Image 4. Secure Messages screen: Showcases the Employer Portal Inbox.

Status of Project Funding

To keep the Committees apprised of the resources being used and the cost of modernizing UI's information technology systems used for processing and paying claims for benefits, the following provides a funding overview for that project as of March 31, 2026:

State and Local Fiscal Recovery Funds (SLFRF) under American Rescue Plan Act (ARPA)

\$80,828,962.00	Allocated
\$52,357,535.76	Expended
\$6,417,447.63	Committed

Conclusion

DWD will continue to administer the law and look at every available option to improve the efficiency and effectiveness of program with the resources at its disposal.

We hope you find this information helpful. We will provide the next quarterly Act 4 report to you in July 2026. In the meantime, please do not hesitate to contact us with questions.