



Tony Evers

Office of the Governor | State of Wisconsin

VIA ELECTRONIC DELIVERY

February 4, 2021

Dear Members of the Wisconsin State Legislature:

I write today to ask for your immediate attention and urgency for modernizing Wisconsin's unemployment system. More than three weeks ago now following my State of the State address, I [called](#) a special session of the Legislature on unemployment insurance modernization. My modernization plan proposes a robust yet reasonable solution through the master lease program—a viable option Republican members suggested—that will ensure we can begin the process of modernizing our unemployment system's antiquated infrastructure immediately while reducing up-front costs to Wisconsin taxpayers. I call that a win-win.

And yet, my proposal to update our antiquated system to date has been met with the same continued inaction Wisconsinites have seen for years during previous administrations and more than a decades' worth of state legislators that knew this system was outdated and failed to fix it. And worse yet, it has also become the subject of partisan, political posturing and finger pointing unfitting of the severity of this problem and the urgency with which it must be addressed. To this end, I wanted to bring to your attention an analysis conducted and published yesterday [by PolitiFact](#) that found fixing this problem will require legislative support and approval for us to upgrade the system completely, stating, "It's clear funds will need to be set aside across multiple years. And the way to approve such ongoing funding is through the budget—which must pass the Legislature." In light of this, I am hopeful these findings will inspire immediate and bipartisan legislative action that this problem deserves.

Many of you, after having served in the Legislature for some time, are well aware our unemployment insurance system is not new, nor are its problems. After these issues with our unemployment system were raised during the Great Recession and now again during COVID-19, it would be callous and irresponsible for any elected official to sit around and wait for the next economic crisis while taking no action to remedy a predictable outcome.

Replacing this system will take years, that's why it should have been done years ago, and it's why I am urging you today to give this issue immediate consideration and action and to send me a clean bill on modernization. I believe—and I sure hope you would agree—that this time Wisconsinites deserve better than getting the runaround. This problem and the people we serve cannot and should not have to wait. Again. And here's the bottom line: I don't care who gets the credit, I just want to get it done.

In order for this project to succeed, and more importantly, for us to ensure this never happens to the people of our state again, it will require a bipartisan commitment and agreement on this significant undertaking and expense. The estimated cost of this project is \$90 million over the next 10 years. Our modernization proposal includes financing through the master lease program, including funds to cover the initial \$5.4 million toward beginning the request for proposal process and the initial startup costs in FY21 and master lease payments in FY22 and FY23.

As I presume you are also well aware, last week the Legislative Fiscal Bureau also released projections showing in the next three-year period our state will collect \$1.2 billion more in revenue than previously estimated. Given this, I think most Wisconsinites would be perplexed as to why, when there is more than enough revenue available in the general fund to cover the entire estimated cost of this system up front, our modernization plan would not receive, unanimous bipartisan support to begin this project immediately or why any proposal would be offered that didn't provide the necessary funding to begin and commitment to complete this important project. A previous effort to fix this system without a full commitment from the Legislature by using fees and one-time federal funds failed—we cannot afford to make that same mistake again.

It is time to fix our broken unemployment system, and we must begin today. No political theatrics or partisan back-and-forth—do the right thing, send this bill clean to my desk, and let's just get it done.

Sincerely,

A handwritten signature in cursive script that reads "Tony Evers".

Tony Evers
Governor