

MEMORANDUM

Focused Review Update: DOL UI Claimant Services



Joint Legislative
Oversight Committee

May 28, 2026

The Joint Legislative Oversight Committee (“JLOC” or “Committee”) selected the Department of Labor’s Division of Unemployment Insurance (“DOL UI”) for a focused review of claimant services in March 2023. Staff completed their research and issued a report in June 2025, with updated information received from DOL UI on December 31, 2025.¹ JLOC held a public meeting on January 22, 2026, to receive an overview of the June 2025 staff report and to ask DOL UI direct questions regarding progress since the report’s release.²

In May 2026, JLOC staff reviewed the questions and materials presented at the January 22, 2026 meeting and prepared 7 follow-up questions to obtain additional updates for JLOC members. DOL UI submitted the attached 3-page response. The following are brief highlights:

- Google quoted about \$3.4 million to develop a user-friendly client portal using AI tools. DOL UI determined the project should be open for bid using a request for proposal (“RFP”) process due to the quoted cost.
 - Interim solution: DOL UI contracting with LexiPoint, to purchase software to provide a user-friendly client portal built on the Salesforce platform.
 - The contract with LexiPoint is expected to be signed by May 29, 2026, with internal deployment planned for mid-June 2026.
- **Backlog of claims:** The long-standing “7,500 backlog,” previously reported to JLOC at about 2,000 claims, was fully resolved and reduced to zero on April 1, 2026.
 - The “7,500 backlog” stemmed from a defect in the Resolve system.
 - DOL discontinued Resolve, returned to the Mainframe system, and is securing vendor support as data transitions to LexiPoint.
- U.S. Department of Labor (“USDOL”) is launching a new interactive claims dashboard. DOL UI will add this new dashboard to its website once it is released.
- Modernization 2.0 continues to advance, focusing on unified claimant data, Gen-AI adjudication tools, automation, and ongoing upgrades to employer contributions and benefits systems.
- The halted Resolve migration did not use ARPA funds and all remaining ARPA dollars are now committed to modernization efforts across the Department.
 - DOL works closely with the Department of Accounting, Office of Management and Budget, and CPA firm BDO to ensure proper documentation as DOL formally engages and contracts with vendors for both long-term and short-term solutions.

¹ Staff report available on the JLOC website at: https://legis.delaware.gov/Committee/Sunset/2024_JLOSCReviews.

² Meeting notice available on the Delaware General Assembly website at: <https://legis.delaware.gov/MeetingNotice/33720>.

During this review, JLOC staff examined 9 audit reports from the Delaware Auditor of Accounts (“AOA”), and presents the following update regarding the Delaware Uniform Guidance Single Audit for fiscal year 2025:

- DOL UI was included in the federal funds audit for fiscal year 2025 and received 8 findings in the [Delaware Uniform Guidance Single Audit FY25](#).
 - Delaware Uniform Guidance Single Audit FY25 was released on April 16th, 2026 and is available on AOA’s website.

This focused review of DOL UI claimant services identified ongoing concerns related to outdated technology, fragmented service platforms, unclear modernization timelines, and persistent operational deficiencies. DOL UI has made progress through modernization efforts and leadership changes. DOL UI has provided updates on their progress, but several areas of concern remain outstanding.

In the interest of this Committee’s oversight function, continued monitoring of DOL UI’s progress is advised to assess improvements and future needs. JLOC staff asks the Committee to consider its single recommendation:

Staff Recommendation #1 – Agency Update.

JLOC may consider requesting a presentation or written communication from DOL UI in January 2027 to provide updates on the implementation of process improvements, including any legislative needs the department has identified. JLOC staff will supply an update form and presentation guidelines for DOL UI to use. As this topic is of mutual interest to members of the Joint Finance Committee, JLOC staff will extend an invitation for the members to attend the presentation.



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May 27, 2026

VIA Email

Joint Legislative Oversight and Sunset Committee
Delaware General Assembly
Attn: Amanda McAtee and Ben Kowal

Dear JLOS Committee:

As a follow-up to the Delaware Department of Labor's ("Labor" or "DE DOL") hearing with your Committee on January 22, 2026, and your inquiry received on May 15, 2026, regarding the Division of Unemployment Insurance ("UI"), please see bulleted updates below:

User-friendly Interface Project Update

1. What is the status of the contract negotiations with Google for their AI tools to help with adjudications and backlog management? For reference, DOL hoped to have the contract signed by the end of January 2026.

Google quoted Labor approximately \$3.4 million to develop a user-friendly client portal. Labor determined the work should be open to an RFP process given the cost of this project.

As an interim solution, Labor is contracting LexiPoint to purchase software which provides a user-friendly client portal on a Salesforce platform (making it adaptable and integrable to many other systems). While providing a client-portal, LexiPoint is fundamentally a policy decision engine (with Gen-AI capability). It provides tools to enhance the adjudication process which will, over time and with learning, address operational/backlog management.

7. What is the timeline for the move to a more user-friendly client portal (using Google AI)?

The contract with LexiPoint is expected to be signed by Friday, May 29, 2026. LexiPoint will be deployed internally by mid-June 2026 with training and public integration to follow.

Claims Status

2. Where is DOL today with the total number of backlog cases? The backlog of claims (originally standing at 7,500 and last reported to this committee at about 2,000) was reduced to 0 on April 1, 2026 (the "7500 backlog").

Note, the "7500 backlog" resulted from a defect in the Resolve system; Labor moved away from Resolve (where Resolve could not find a technical fix for the defect) back to the mainframe system. In light of the redirection away from Google and Resolve, Labor has identified funding to assist with the service of the mainframe system. Negotiations are underway and it is Labor's intention to finalize contracts by August (to provide support as data is integrated with the LexiPoint system).

4. Is DOL planning to expand on the UI claims dashboard? In March 2026, USDOL announced a new user-friendly, interactive dashboard to be made available to the states. DE DOL will make the USDOL dashboard available on its website in addition to the current dashboard. (Note, USDOL dashboard was originally expected by April 2026. It has not yet been

made available.)

b. Why is the data displayed in this UI claims dashboard different from USDOL first payment timeliness reporting? The Labor dashboard illustrates how quickly UI was able to process new claims received in the preceding month. The USDOL dashboard referenced measures timeliness inclusive of claims with mandated waiting periods (ie., appeals) and claims involving fact-intensive inquiry.

Modernization Status

3. What is the current status of Modernization 2.0? As an update to Labor's responses (due December 31, 2025), Modernization 2.0 initiative continues to focus on streamlining the UI process by unifying claimant data, integrating Gen-AI tools for adjudication, and expanding automation to reduce delays.

As of the date of this letter, the status of Modernization 2.0 is as follows:

- a. "7500 backlog" resolved April 2026
- b. Modernization of UI's Employer Contributions Operations unit continues with Infosys
- c. RFP for UI's Benefit Unit will occur in Fall/Winter 2026
- d. Interim solutions for UI's Benefit deployment will continue throughout Summer 2026

Status of ARPA Funding

5. The Resolve system migration was stopped in favor of Google's AI adjudication system. Were ARPA funds used for the Resolve system? How much?

The Resolve system migration was stopped due to its contribution the "7500 backlog" and failed efforts on the vendor's part to repair the defect. The project was not funded with ARPA dollars.

6. What is the current status of ARPA funds? All remaining ARPA funds have been encumbered for Modernization efforts across divisions within Labor. Labor is working closely with Department of Accounting, Office of Management and Budget, and BDO to ensure proper documentation as we formally (contractually) engage with vendors for long-term and short-term solutions.

The Department of Labor thanks the Committee for their time and commitment to serving Delawareans. Please let us know if you have any questions or require additional information.

Respectfully,



LaKresha Moultrie
Secretary, Department of Labor

cc:

Matt Meyer, Governor

Misty Seemans, Office of the Governor Chief of Staff

Nick Merlino, Office of the Governor Principal Deputy Chief of Staff

Kevin Myers, Office of the Governor Deputy Policy Director

Melissa Minor-Brown, Speaker

David Sokola, Pro Tempore

Rep. Ed Osienski, House Labor Chair
Sen. Bryan Townsend, Senate Labor Chair
Rep. Cyndie Romer, Chair of the Joint Legislative Oversight and Sunset Committee
Ruth Ann Miller, Controller General
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