



**To:** Chairman Bogner  
Members of the Economic Affairs Interim Committee  
**From:** Kim Warren, DLI CIO / TSD Administrator  
**Date:** June 3, 2022  
**RE:** UI Modernization Update

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Chairman Bogner & Members of the Committee:

Over the last several months, the Department of Labor & Industry has been undertaking exploratory efforts to replace MISTICS, the Department's antiquated unemployment insurance benefits processing system.

As has been discussed with this Committee in the past, the need for a new system is acute: MISTICS was developed more than 20 years ago, on an outdated platform. The patchwork of ancillary systems needed to keep it afloat make it costly, fragile, and at risk of catastrophic failure.

Working in close consultation with State CIO Kevin Gilbertson, the Department has engaged a number of potential vendors. DLI solicited information and options based on the Enterprise Services that Montana is already doing business with and owns. This effort aligns with Strategic Initiatives #3 and #4 under Montana's IT Strategic Plan.

DLI is evaluating options based on cost, risks to success in implementation, and compatibility and integration with the Department's existing UI tax system.

At this time, the Department's exploratory and discovery phase of the project has concluded. Options for further action are under consideration, and final recommendations are still in the process of being developed.

State CIO Gilbertson has been guiding DLI's progress through this process, and will be available to answer the Committee's questions about the work done to date and the path forward.

Thank you for your attention to this matter and your work to ensure Montana workers have access to the unemployment benefits they need in a timely manner.