

Fiscal Estimate Narratives

DWD 2/9/2022

LRB Number	21-5745/1	Introduction Number	SB-911	Estimate Type	Original
Description various changes to the unemployment insurance law					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires an employer that is notified of a claim for UI benefits to fully and promptly respond to DWD regarding any eligibility question that may be at issue with respect to the claim, regardless of any objection to the claim on the part of the employer.

These provisions are assumed to increase the number of employer response forms received by UI by approximately fifty percent of pre-pandemic levels. To handle the increased volume of forms created by the additional requirements imposed on employers, five additional staff are needed. To fulfill this need, it is assumed that five contracted staff are hired at a cost of \$390,000 annually.

The bill also provides that an employer may report to DWD whenever: 1) an individual declines a job interview or job offer, 2) an individual fails to respond to a job interview offer or job offer, 3) an individual fails to attend a scheduled job interview without attempting to reschedule the job interview, 4) UI claimant is unavailable for, or unable to perform, work actually available within a given week, and 5) under certain circumstances when the employer recalls a former employee receiving UI benefits who fails to return to work. DWD will be required to consider these reports and investigate, as needed, to determine a claimant's eligibility for benefits.

To implement a process as specified under the bill to accept submitted employer responses, systems modifications are needed. The required IT work is estimated at 190 hours for a one-time cost of \$16,900. Administrative work to support the IT implementation is estimated to cost \$5,100. The costs for IT and related administrative support work are estimated to be one-time.

Additionally, this bill requires DWD to have in effect methods to address any circumstances in which a claimant for UI benefits fails to return to work or to accept suitable work without good cause or is unavailable for work or unable to work, including reporting methods for employers and a notice from DWD to claimants about the laws governing such circumstances. These provisions are not different from current UI business practices and thus are not expected to increase administrative costs or impact the UI Trust Fund.

Finally, the bill requires, instead of allows, DWD to act to recover overpayments in certain circumstances and requires overpayments to be repaid in cases where an individual makes misrepresentations to obtain benefits in the name of another person. These provisions are not different from current UI business practices and thus are not expected to increase administrative costs or impact the UI Trust Fund. This provision would not apply when waivers of federal overpayments have been authorized.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description
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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

To implement this bill a total of \$22,000 in one-time costs will be required consisting of 190 hours of IT work costing \$16,900, and \$5,100 administrative costs for supporting the IT implementation.

II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs	Decreased Costs

A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs	390,000	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$390,000	\$

B. State Costs by Source of Funds		
GPR		
FED	390,000	
PRO/PRS		
SEG/SEG-S		

III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)

	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$

NET ANNUALIZED FISCAL IMPACT		
	State	Local
NET CHANGE IN COSTS	\$390,000	\$
NET CHANGE IN REVENUE	\$	\$

Agency/Prepared By	Authorized Signature	Date
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