

Fiscal Estimate - 2021 Session

Original Updated Corrected Supplemental

LRB Number **21-3123/1** Introduction Number **AB-0328**

Description
unemployment insurance contribution rates

Fiscal Effect

State:
 No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations Increase Existing Revenues Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations Decrease Existing Revenues Yes No
 Create New Appropriations Decrease Costs

Local:
 No Local Government Costs
 Indeterminate
1. Increase Costs 3. Increase Revenue 5. Types of Local Government Units Affected
 Permissive Mandatory Permissive Mandatory Towns Village Cities
2. Decrease Costs 4. Decrease Revenue Counties Others
 Permissive Mandatory Permissive Mandatory School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**
 GPR FED PRO PRS SEG SEGS

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DWD 6/1/2021

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Description unemployment insurance contribution rates					

Assumptions Used in Arriving at Fiscal Estimate

Employers pay into the UI Trust Fund at contribution rates established by state law. There are four rate schedules with Schedule D having the lowest contribution rates and Schedule A having the highest. The schedule that is set for a given calendar year depends on the cash balance of the state's unemployment reserve fund as of the preceding June 30. If the state's unemployment reserve fund has a cash balance of at least \$1,200,000,000 on June 30th, then Schedule D is in effect in the following calendar year.

This bill requires the department to maintain Schedule D rates through the end of calendar year 2023 regardless of the unemployment trust fund balance.

If enacted, maintaining Schedule D contribution rates for two calendar years is not estimated to increase costs for state appropriations. Although UI Trust Fund balance is estimated to decrease, this Fund is not a state appropriation.

Local governments would have no local fiscal effect as they are reimbursable employers and not subject to the scheduled UI Trust Fund contribution rates.

Long-Range Fiscal Implications