

Fiscal Estimate Narratives

DWD 9/20/2021

LRB Number	21-4392/1	Introduction Number	AB-0542	Estimate Type	Original
Description eligibility for unemployment insurance benefits in the case of an unwillingness to receive a vaccine					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, DWD uses a two-tiered standard to determine whether claimants, who are discharged, qualify for UI benefits. A claimant will be disqualified for UI benefits if they are discharged for misconduct or for substantial fault connected with the employment. If it cannot be determined that the employee was discharged for misconduct, the Department considers disqualification under substantial fault. The burden for establishing misconduct or substantial fault is on the employer.

Current law also allows employers to establish work rules that require an employee be vaccinated.

The bill provides an exclusion from misconduct or substantial fault for an employee who is discharged due to the employee's unwillingness to receive the COVID-19 vaccine or provide proof of vaccination to an employer, as a condition of employment.

The bill also allows a claimant to be eligible for unemployment benefits if the employee terminates employment (quits) due to the employee's unwillingness, as a condition of employment, to receive the COVID-19 vaccine or to provide proof of vaccination. DWD is required to charge the balancing account for the cost of unemployment benefits of both reimbursable and covered employers for any employee whose voluntary termination is covered under this bill.

An estimated 120 hours of IT work is needed to implement the changes under this bill at a cost of \$10,680. Additional administrative costs are estimated to be \$3,525.

The bill is estimated to increase costs to the Unemployment Insurance (UI) Trust Fund, but the specific fiscal impact is indeterminate. Key data needed to estimate the number of employees who will apply for unemployment benefits under this bill, such as the number and type of employers who have or are considering vaccine mandates, is not available to the Department. In addition, of the group of potential claimants under this bill, it is unknown what percentage will meet the other current law eligibility criteria for unemployment benefits. While claimants would be exempt from the benefit disqualification associated with quitting employment or having their employment terminated under this bill, they must still comply with all other requirements of the UI program to receive benefits.

Under this bill state and local government employers, that are reimbursable employers under s. 108.02 (13) (a), could have increased UI benefit costs, but it is indeterminate on the amount of the increase.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description eligibility for unemployment insurance benefits in the case of an unwillingness to receive a vaccine		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
There is an expected IT cost of \$10,680 to implement the program. There is an expected one-time administrative impact of \$3,525 to establish the program.		
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		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds		
GPR		
FED		
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		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
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