February 17, 2021 – Introduced by JOINT COMMITTEE ON FINANCE, by request of Governor Tony Evers. Referred to Joint Committee on Finance.

AN ACT to amend 20.445 (1) (n), 20.445 (1) (nb) (title), 108.14 (2e), 108.17 (2) (b), 108.17 (2b), 108.17 (7) (a) and 108.205 (2); and to create 20.445 (1) (ar), 20.445 (1) (nc) and 108.14 (26m) of the statutes; relating to: transactions with the Department of Workforce Development under the unemployment insurance law, funding for unemployment insurance modernization efforts, granting rule-making authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

Currently, with certain exceptions, each employer that has employees who are engaged in employment covered by the unemployment insurance law must file quarterly contribution (tax) and employment and wage reports and make quarterly payment of its contributions to the Department of Workforce Development. An employer of 25 or more employees or an employer agent that files reports on behalf of any employer must file its reports electronically. Current law also requires each employer that makes contributions for any 12-month period ending on June 30 equal to a total of at least $10,000 to make all contribution payments electronically in the following year. Finally, current law allows DWD to provide a secure means of electronic interchange between itself and employing units, claimants, and other persons that, upon request to and with prior approval by DWD, may be used for transmission or receipt of any document specified by DWD that is related to the administration of the UI law in lieu of any other means of submission or receipt.
This bill makes use of these electronic methods mandatory in all cases, unless the employer or other person demonstrates good cause for being unable to use the electronic method, as determined by DWD by rule. The bill also provides that DWD may permit the use of electronic records and electronic signatures for any document specified by DWD that is related to the administration of the UI law.

The bill also creates appropriations to provide general purpose revenue (GPR) and federal funding to DWD for the renovation and modernization of unemployment insurance information technology systems and appropriates $5,320,000 GPR for this purpose.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

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<tr>
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<th>2019-20</th>
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<td>Workforce development, department of</td>
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<td>Workforce development</td>
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<td>Unemployment insurance; information technology systems; general purpose revenue</td>
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<td>$5,320,000</td>
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SECTION 2. 20.445 (1) (ar) of the statutes is created to read:

20.445 (1) (ar) Unemployment insurance; information technology systems; general purpose revenue. As a continuing appropriation, the amounts in the schedule for the purpose specified in s. 108.19 (1e) (d).

SECTION 3. 20.445 (1) (n) of the statutes is amended to read:

20.445 (1) (n) Employment assistance and unemployment insurance administration; federal moneys. All federal moneys received, as authorized by the governor under s. 16.54, for the administration of employment assistance and
unemployment insurance programs of the department, for the performance of the
department’s other functions under subch. I of ch. 106 and ch. 108, and to pay the
compensation and expenses of appeal tribunals and of employment councils
appointed under s. 108.14, to be used for such purposes, except as provided in s.
108.161 (3e), and, from the moneys received by this state under section 903 (d) of the
federal Social Security Act, as amended, to transfer to the appropriation account
under par. (nb) an amount determined by the treasurer of the unemployment reserve
fund not exceeding the lesser of the amount specified in s. 108.161 (4) (d) or the
amounts in the schedule under par. (nb), to transfer to the appropriation account
under par. (nd) an amount determined by the treasurer of the unemployment reserve
fund not exceeding the lesser of the amount specified in s. 108.161 (4) (d) or the
amounts in the schedule under par. (nd), to transfer to the appropriation account
under par. (ne) an amount not exceeding the lesser of the amount specified in s.
108.161 (4) (d) or the sum of the amounts in the schedule under par. (ne) and the
amount determined by the treasurer of the unemployment reserve fund that is
required to pay for the cost of banking services incurred by the unemployment
reserve fund, and, from any other federal moneys received by this state for the
purpose specified in s. 108.19 (1e) (d), to transfer to the appropriation account under
par. (nc) an amount determined by the treasurer of the unemployment reserve fund,
and to transfer to the appropriation account under s. 20.427 (1) (k) an amount
determined by the treasurer of the unemployment reserve fund.

SECTION 4. 20.445 (1) (nb) (title) of the statutes is amended to read:

20.445 (1) (nb) (title) Unemployment administration; information technology
systems; other federal moneys.

SECTION 5. 20.445 (1) (nc) of the statutes is created to read:
20.445 (1) (nc) Unemployment administration; information technology systems; federal moneys. All moneys transferred from par. (n), for the purpose specified in s. 108.19 (1e) (d).

SECTION 6. 108.14 (2e) of the statutes is amended to read:

108.14 (2e) The department **shall** provide a secure means of electronic interchange between itself and employing units, claimants, and other persons that, upon request to and with prior approval by the department, may **shall** be used for departmental transmission or receipt of any document specified by the department that is related to the administration of this chapter in lieu of any other means of submission or receipt specified in this chapter. The secure means of electronic interchange shall be used by employing units, claimants, and other persons unless a person demonstrates good cause for not being able to use the secure means of electronic interchange. The department shall determine by rule what constitutes good cause, for purposes of this subsection. Subject to s. 137.25 (2) and any rules promulgated thereunder, the department may permit the use of electronic records and electronic signatures for any document specified by the department that is related to the administration of this chapter. If a due date is established by statute for the receipt of any document that is submitted electronically to the department under this subsection, then that submission is timely only if the document is submitted by midnight of the statutory due date.

SECTION 7. 108.14 (26m) of the statutes is created to read:

108.14 (26m) (a) The department shall allocate all available federal funding for the purpose specified in s. 108.19 (1e) (d) before allocating any general purpose revenue for that purpose.
(b) If federal funding is received for the purpose specified in s. 108.19 (1e) (d) prior to July 1, 2023, the secretary of administration may, to the extent permitted under federal law, lapse from the appropriation under s. 20.445 (1) (nc) to the general fund an amount not to exceed the amounts in the schedule under s. 20.445 (1) (ar) or the amount of federal funding received, whichever is less. This paragraph does not apply with respect to amounts received as administrative grants by the state under 42 USC 502 or to amounts received by this state under section 903 (d) of the federal Social Security Act, as amended, 42 USC 1103.

SECTION 8. 108.17 (2) (b) of the statutes is amended to read:

108.17 (2) (b) The department may shall electronically provide a means whereby an employer that files its employment and wage reports electronically may determine the amount of contributions due for payment by the employer under s. 108.18 for each quarter. If an employer that is subject to a contribution requirement files its employment and wage reports under s. 108.205 (1) electronically, in the manner prescribed by the department for purposes of this paragraph, the department may require the employer to determine electronically the amount of contributions due for payment by the employer under s. 108.18 for each quarter. In such case, the employer is excused from filing contribution reports under par. (a). The employer shall pay the amount due for each quarter by the due date specified in par. (a).

SECTION 9. 108.17 (2b) of the statutes is amended to read:

108.17 (2b) The department shall prescribe a form and methodology for filing contribution reports under sub. (2) electronically. Each employer of 25 or more employees, as determined under s. 108.22 (1) (ae), that does not use an employer agent to file its contribution reports under this section shall file its contribution
reports electronically in the manner and form prescribed by the department, unless the employer demonstrates good cause for not being able to file contribution reports electronically. The department shall determine by rule what constitutes good cause, for purposes of this subsection. Each employer that becomes subject to an electronic reporting requirement under this subsection shall file its initial report under this subsection for the quarter during which the employer becomes subject to the reporting requirement. Once an employer becomes subject to a reporting requirement under this subsection, it shall continue to file its reports under this subsection unless that requirement is waived by the department.

SECTION 10. 108.17 (7) (a) of the statutes is amended to read:

108.17 (7) (a) Each employer whose net total contributions paid or payable under this section for any 12-month period ending on June 30 are at least $10,000 shall pay all contributions under this section by means of electronic funds transfer beginning with the next calendar year, unless the employer demonstrates good cause for not being able to pay contributions by electronic funds transfer. The department shall determine by rule what constitutes good cause, for purposes of this subsection. Once an employer becomes subject to an electronic payment requirement under this paragraph, the employer shall continue to make payment of all contributions by means of electronic funds transfer unless that requirement is waived by the department.

SECTION 11. 108.205 (2) of the statutes is amended to read:

108.205 (2) Each employer of 25 or more employees, as determined under s. 108.22 (1) (ae), that does not use an employer agent to file its reports under this section shall file the quarterly report under sub. (1) electronically in the manner and form prescribed by the department, unless the employer demonstrates good cause for
not being able to file reports electronically. The department shall determine by rule what constitutes good cause, for purposes of this subsection. An employer that becomes subject to an electronic reporting requirement under this subsection shall file its initial report under this subsection for the quarter during which the employer becomes subject to the reporting requirement. Once an employer becomes subject to the reporting requirement under this subsection, the employer shall continue to file its quarterly reports under this subsection unless that requirement is waived by the department.


(1) UNEMPLOYMENT INSURANCE; ELECTRONIC INTERCHANGE. The department of workforce development shall submit a notice to the legislative reference bureau for publication in the Wisconsin Administrative Register indicating the date upon which the department is able to implement the treatment of s. 108.14 (2e).

SECTION 13. Effective dates. This act takes effect on the first Sunday after publication, except as follows:

(1) UNEMPLOYMENT INSURANCE; ELECTRONIC INTERCHANGE. The treatment of s. 108.14 (2e) takes effect on the date specified in the notice published in the Wisconsin Administrative Register under SECTION 12 (1) of this act.

(END)