

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

<p>1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original   <input type="checkbox"/> Updated   <input type="checkbox"/> Corrected</p>	<p>2. Date January 20, 2021</p>
<p>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) Chapters DWD 127 - Work Search and Reemployment Services and DWD 128 - Ability To Work And Availability For Work</p>	
<p>4. Subject Amending provisions related to available for work, work available, and work search for unemployment insurance benefit claimants.</p>	
<p>5. Fund Sources Affected <input type="checkbox"/> GPR   <input checked="" type="checkbox"/> FED   <input type="checkbox"/> PRO   <input type="checkbox"/> PRS   <input type="checkbox"/> SEG   <input type="checkbox"/> SEG-S</p>	<p>6. Chapter 20, Stats. Appropriations Affected None.</p>
<p>7. Fiscal Effect of Implementing the Rule <input type="checkbox"/> No Fiscal Effect   <input type="checkbox"/> Increase Existing Revenues   <input type="checkbox"/> Increase Costs   <input type="checkbox"/> Decrease Costs <input checked="" type="checkbox"/> Indeterminate   <input type="checkbox"/> Decrease Existing Revenues   <input checked="" type="checkbox"/> Could Absorb Within Agency's Budget</p>	
<p>8. The Rule Will Impact the Following (Check All That Apply) <input checked="" type="checkbox"/> State's Economy   <input type="checkbox"/> Specific Businesses/Sectors <input checked="" type="checkbox"/> Local Government Units   <input type="checkbox"/> Public Utility Rate Payers <input checked="" type="checkbox"/> Small Businesses (if checked, complete Attachment A)</p>	
<p>9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$unknown</p>	
<p>10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No</p>	
<p>11. Policy Problem Addressed by the Rule This rule temporarily waives the requirement for claimants to complete four work search actions for each week that a claimant files an unemployment insurance claim.  This rule provides criteria for determining when unemployment insurance claimants are available for work during the COVID-19 pandemic. The rule also states that no work is actually available for employees affected by COVID-19 for the purposes of determining whether unemployment insurance claimants missed work available under section 108.04 (1) (a) to (bm), Stats.  The Department will repeal this emergency rule if it determines that the rule is no longer necessary to respond to the threat of COVID-19.</p>	
<p>12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. None.</p>	
<p>13. Identify the Local Governmental Units that Participated in the Development of this EIA. None.</p>	
<p>14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) The impact on the State's economy as a whole is that more unemployment insurance benefits, including federally funded benefits, are expected to be paid to claimants under this rule, which will help claimants pay their bills during the pandemic. This will also help businesses during the pandemic because more money will be available in the community to spend at the businesses that are open. Also, it will encourage people to remain in their communities instead of seeking</p>	

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to relocate to find work. This will ensure a labor pool will be available for business when the pandemic ends. This rule will also assist small businesses who are struggling to stay open because they may be eligible for Pandemic Unemployment Assistance if their business is reduced because of COVID-19 without having to search for work, rather than requiring them to search for and accept suitable work as employees and shut down their businesses.

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### 15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

The benefits of implementing this rule are that claimants who are separated from employment during the COVID-19 pandemic will not be required to search for work. During the pandemic, many businesses are closed, making it difficult or impossible to search for work. It also provides eligibility for those employees are quarantined or not allowed to be at work because of COVID-19.

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### 16. Long Range Implications of Implementing the Rule

The long range implications of this rule are that the State's economy will be stimulated by the increased unemployment benefit payments (state and federally funded) and that people will be more likely to stay in their communities during the pandemic instead of relocating for work.

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### 17. Compare With Approaches Being Used by Federal Government

Public Law 116-127 § 4102(b) provides that states may, on an emergency temporary basis, modify or suspend work search requirements during the COVID-19 pandemic. U.S. Department of Labor guidance requires states to ease eligibility requirements, including by modifying or suspending work search requirements, as a condition of receiving emergency federal funds. See UIPL No. 13-20 (3/22/2020).

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### 18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Illinois, Iowa, Michigan, and Minnesota have waived work search requirements during the COVID-19 pandemic.

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<b>19. Contact Name</b>	<b>20. Contact Phone Number</b>
Janell Knutson	608-266-1639

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### ATTACHMENT A

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

The rule may affect small businesses, as defined in s. 227.114 (1), Stats., if employees of small businesses are found to be eligible for unemployment benefits and if they would not have been previously eligible under the law in effect before this rule took effect.

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

2019 Wisconsin Act 185 provided charging relief for employers for claims that are related to the public health emergency, but that relief ended for claims payable on or after December 27, 2020. Absent subsequent legislative action to provide further recharging relief under state law, employers may be impacted by this emergency rule.

Under the Coronavirus Aid, Relief and Economic Security (CARES) Act, P.L. 116-136, section 2103, for employers subject to reimbursement financing, 50% of the benefits were to be charged to the federal government for claims between March 15, 2020 through December 26, 2020. That provision was extended for claims through March 14, 2021 by the Consolidated Appropriations Act, 2021, P.L. 116-133, Division N, Title II, Subtitle A, the Continued Assistance for Unemployed Workers Act of 2020. Reimbursement employers, therefore, continued to have partial relief from full charging for unemployment insurance benefits through the week ending March 13, 2021.

Employers, including small businesses, may be charged for claims that might have been denied but for this rule if, for example, the claimants had not conducted four work search actions in each week (and if that requirement was not otherwise waived). Likewise, claimants deemed to meet able to work and available to work requirements for COVID-related reasons might have been denied absent the rule. It is not possible to quantify the effect of this rule on small business due to this variety of factors.

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

None.

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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

The rule is an emergency rule, so it is only effective for a limited time.

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5. Describe the Rule's Enforcement Provisions

The Department of Workforce Development administers the unemployment insurance program by requiring claimants to provide information on unemployment insurance benefit claims.

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes     No
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