

### Fiscal Estimate - 2021 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>21-1132/1</b>	<b>Introduction Number</b> <b>AB-0001</b>	
<b>Description</b> state government actions to address the COVID-19 pandemic, extending the time limit for emergency rule procedures, providing an exemption from emergency rule procedures, and granting rule-making authority		
<b>Fiscal Effect</b>  <b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue                      5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities 2. <input checked="" type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS    20.445 (1) (a) and 20.445 (1) (gd)		
<b>Agency/Prepared By</b> DWD/ Thomas Goodwyn (608) 267-9058	<b>Authorized Signature</b> Danielle Williams (608) 266-2284	<b>Date</b> 2/1/2021

## Fiscal Estimate Narratives

DWD 2/1/2021

LRB Number	21-1132/1	Introduction Number	AB-0001	Estimate Type	Original
<b>Description</b> state government actions to address the COVID-19 pandemic, extending the time limit for emergency rule procedures, providing an exemption from emergency rule procedures, and granting rule-making authority					

### Assumptions Used in Arriving at Fiscal Estimate

This bill extends end dates of certain pandemic related Unemployment Insurance (UI) provisions, including the suspension of the unemployment insurance waiting week and expanding eligibility for the UI work-share program. It also modifies language relating to the noncharging of employer unemployment insurance accounts. The bill includes new provisions relating to resolving the UI backlog and prohibiting employers from requiring vaccinations for COVID-19. This bill does not provide additional budget or position authority.

If enacted, the extension of the waiting week suspension is not estimated to increase costs for state appropriations. Although UI Trust Fund costs are estimated to increase, this Fund is not a state appropriation. Administrative costs resulting from the extension for the work-share program are absorbable within the agency's operating budget.

The bill makes two changes to the non-charging of UI benefits from 2019 Wisconsin Act 185, which amended the regular unemployment benefit procedure of charging employers related to the unemployment claim. Act 185 provided that if a claim or plan is related to a Public Health Emergency (PHE) for weeks occurring after March 12, 2020 and before December 31, 2020, the UI Trust Fund or, for reimbursable employers, DWD's interest and penalties account [s. 20.445 (1) (gd)], would be charged. The new bill extends the non-charging of benefits through March 13, 2021. In addition, the bill requires DWD to presume that an initial claim for benefit years beginning on or after March 15, 2020, through March 13, 2021, relates to the PHE declared on March 12, 2020, by Executive Order 72 unless the claimant's most recent separation from employment is due to a labor dispute, voluntary termination of work, discharge for misconduct, or discharge for substantial fault.

These changes will increase costs to the UI Trust Fund and to DWD's interest and penalties account [s. 20.445 (1) (gd)], above and beyond the department's SFY 2022 estimated deficit of (\$80,973,300).

The bill includes a non-statutory provision, requiring DWD to publish a plan to address the backlog of UI claims and to extend the hours of the UI call center to 12 per day, seven days a week, until the backlog has been addressed. Under the bill, the backlog is considered addressed when the number of weekly claims in process are at levels comparable to those in January and February 2020 as determined by the department. The department estimates one-time administrative costs of \$92,700 to create IT infrastructure necessary to implement a 12-hour day, seven-day-week call center and to cover administrative support staff expenses for this IT effort. DWD currently outsources its call center operations under a federal waiver. Assuming the waiver is in place when DWD expands call center hours, as required by the bill, the department estimates the expansion to cost \$190,000 per week above the base costs of the call center. As the number of weeks of expanded call center hours are indeterminate at this time, total one-time cost for this effort are indeterminate.

Administratively, DWD assumes the provisions related to the prohibition of employers requiring an individual to receive a COVID-19 vaccine, or show evidence of having received one, would generate 100 complaints annually that cannot be fielded, investigated, or resolved at current staffing levels. To meet this increased workload, DWD's Equal Rights Division would incur costs equal to one Full Time Equivalent Equal Rights Officer which has an annual total cost of \$87,100. This bill does not provide resources or position authority for these new duties. The cost is not absorbable within the ER Division's staffing resources. There would be one-time absorbable charges of \$3,500 for staffing set-up and \$6,000 to update publications.

Extension of the non-charging provision may decrease costs to Local government employers, who would otherwise begin unemployment benefits. The decreased costs are currently indeterminate.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

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<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  I. One-time costs for expanded UI call center operations of \$92,700, and one-time costs for ERD staff set-up and updated publications of \$9,500. One-time total costs for expanded call center operations are indeterminate at this time.		
<b>II. Annualized Costs:</b>	<b>Annualized Fiscal Impact on funds from:</b>	
	Increased Costs      Decreased Costs	
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes (FTE Position Changes)	\$	\$
State Operations - Other Costs	87,100	
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$87,100</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR	87,100	
FED		
PRO/PRS		
SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$87,100	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b> <b>Authorized Signature</b> <b>Date</b>		
DWD/ Thomas Goodwyn (608) 267-9058	Danielle Williams (608) 266-2284	2/1/2021