STATE OF WISCONSIN

DWD

Department of Workforce Development

Unemployment Insurance Advisory Council

Council Members: Please bring your calendars to schedule future meetings.
https://dwd.wisconsin.gov/uibola/uiac/

MEETING

Date: January 17, 2019

Time: 10:00 a.m. – 4:00 p.m.

Place: Department of Workforce Development
201 E. Washington Avenue
Madison, Wisconsin
GEF-1, Room F305

AGENDA ITEMS AND TENTATIVE SCHEDULE:

1. Call to Order and Introductions
2. Approval of Minutes of the September 20, 2018 Council Meeting
3. Department Update
4. Report on the Unemployment Insurance Reserve Fund – Tom McHugh
5. Worker Misclassification Quarterly Report – Mike Myszewski
6. Report on Public Hearing
7. Update on Legislation
    - 2017 Act 370
8. Research Request
9. Updated Agreed Bill Timeline
10. Future Meeting Dates
11. Adjourn

Notice:

- The Council may not address all agenda items or follow the agenda order.
- The Council may take up action items at a time other than that listed.
- The Council may discuss other items, including those on any attached lists.
- The Council members may attend the meeting by telephone.
- The employee or employer members of the Council may convene in closed session at any time during the meeting to deliberate any matter for potential action or items posted in this agenda, under sec. 19.85(1)(ee), Stats. The employee or employer members of the Council may thereafter reconvene again in open session after completion of the closed session.
- This location is handicap accessible. If you have a disability and need assistance (such as an interpreter or information in an alternate format), please contact Robin Gallagher, Unemployment Insurance Division, at 608-267-1405 or dial 7-1-1 for Wisconsin Relay Service.
- Today's meeting materials will be available online at 10:00 a.m. at https://dwd.wisconsin.gov/uibola/uiac/meetings.htm

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL

Meeting Minutes

Offices of the State of Wisconsin Department of Workforce Development
201 E. Washington Avenue, GEF 1, Room F305
Madison, WI

September 20, 2018

The meeting was preceded by public notice as required under Wis. Stat. § 19.84.

Members Present: Janell Knutson (Chair), Scott Manley, Ed Lump, Mike Gotzler, Earl Gustafson, John Mielke, Mark Reihl, Sally Feistel, and Mike Crivello.

Department Staff Present: Joe Handrick, Brett Balinsky, Jennifer Wakerhauser (DWD Deputy Legal Counsel), Mike Myszewski, Bruce Palzkill (Division of Employment & Training), Amy Hansmann (Division of Employment & Training), Kirsten Cullen (Division of Employment & Training), Frank Lasee (Division of Workers Compensation), Patrick Lonergan, Tom McHugh, Mary Jan Rosenak, Pam James, Janet Sausen, Jill Moksouphanh, Robert Usarek, David Heuer, Amy Banicki, Emily Savard, Shannon Ballhorn, Karen Schultz, and Robin Gallagher.

Members of the Public Present: Mike Duchek (Legislative Reference Bureau), Susan Quam (Wisconsin Restaurant Association), Brian Dake (Wis. Independent Businesses, Inc.), Erika Strebel (Daily Reporter), Karl Dahlen (Labor & Industry Review Commission (LIRC)).

1. Call to Order and Introduction

Ms. Knutson called the Unemployment Insurance Advisory Council meeting to order at 10:03 a.m. under Wisconsin's Open Meeting law. Council members introduced themselves and Ms. Knutson recognized Mike Duchek of the Legislative Reference Bureau and Karl Dahlen of the Labor & Industry Review Commission. Mr. Handrick introduced DWD's new Worker's Compensation Division Administrator, Frank Lasee. Ms. Knutson introduced DWD's new Deputy Legal Counsel, Jennifer Wakerhauser.

2. Approval of Minutes of the April 26, 2018 Council Meeting

Motion by Mr. Lump, second by Mr. Reihl, to approve the April 26, 2018 meeting minutes without correction. The motion carried unanimously.

3. Re-Employment Services

Mr. Bruce Palzkill, DWD Division of Employment & Training Assistant Administrator, and DET program experts provided a presentation to the Council on Wisconsin's Re-employment Services and Eligibility Assessment (RESEA) program. The presentation provided an overview of the RESEA program and covered specific areas such as how claimants are selected for

RESEA and the services participants receive during in-person counseling sessions. The presentation also highlighted key components of the program including: online orientation and assessments for claimants; claimants' ability to self-schedule in-person RESEA sessions; optional online tutorials; email and other electronic communication notifying claimants of RESEA requirements; and increased coordination between DET and UI systems, staff, and programs.

4. Department Update

Ms. Knutson announced that the UI Division's Bureau of Legal Affairs Deputy Director, Lili Crane retired in August 2018 and the department is currently working to fill the position. Ms. Crane was an integral part of the Bureau of Legal Affairs and helped to implement several initiatives to improve Wisconsin's UI program during her tenure as deputy director, including the recent modernization of the UI appeals process.

The floor was turned over to Mr. Lump for an announcement. Mr. Lump informed the Council of his retirement as president and CEO of the Wisconsin Restaurant Association and that he will be withdrawing from his role as the small business representative on the Council effective at the conclusion of today's meeting. Mr. Lump indicated his time on the Council has been a very rewarding experience and it has been pleasure working with everyone on the Council. Mr. Lump also acknowledged the UI staff for all the hard work they do to assist the Council and thanked them for their support over the years. The Council thanked Mr. Lump for his nearly 17 years of service on the UIAC and for all his contributions to advance Wisconsin's UI program over the years.

Mr. Handrick stated that Mr. Lump's departure leaves an open position for a small business representative on the Council. At the request of Secretary Allen, Mr. Handrick stated that anyone who would like to be considered to fill the vacant position should submit a letter of interest to the department by close of business on Friday, October 5, 2018. Due to the unique nature of Mr. Lump's position on the Council, the individual appointed to fill the vacant position must be an owner of a small business or a representative of an association primarily composed of small businesses (Wis. Stat. § 15.227(3)).

5. Report on the Unemployment Insurance Reserve Fund

Mr. McHugh provided the following UI Reserve Fund Highlights:

- Benefit payments through August 2018 declined $29.7 million, or 9.5% when compared to benefits paid through August 2017.
- August 2018 year-to-date tax receipts declined by $79.1 million, or 13.6% from the same time last year. This decrease is attributable to a change in tax schedules and to the improvement of employer reserve fund balances.
- The August 2018 Trust Fund ending balance was over $1.7 billion, an increase of 18.3% when compared to the same time last year. It is official that Schedule D will continue through the 2019 tax year. The trigger amount of $1.2 billion on June 30 was exceeded this year by $400 million. (June 30, 2018 ending UI Cash Balance $1.6 billion.)

- Interest earned on the Trust Fund for the first two quarters of 2018 was $16.9 million, compared to $13.5 million for the first two quarters of 2017. The U.S. Treasury annualized interest rate for the second quarter is 2.269%. As of August 1, 2018, the Trust Fund is earning over $100,000 interest daily.

6. Program Integrity Assessment

Ms. Knutson presented Secretary Allen's request for Council support for the 0.01% assessment of employers for program integrity efforts, to be offset by a corresponding reduction in the solvency tax. The statute requires the Secretary to consult with the Council each year and to consider the balance of the UI Trust Fund. Secretary Allen recommended this assessment after considering the following:

- The US Department of Labor recently eliminated the 5% stop-loss maximum on federal UI operating grants to states. As a result, our federal FY19 UI operating grant will decrease by $5.9 million in the upcoming year.
- The projected Trust Fund balance at the start of the fiscal year (July 1) was over $1.6 billion.
- There are no economic forecasts that predict a significant economic downturn any time in 2019.
- The projected amount generated from this assessment is estimated to be $3.2 million, which is approximately 4.6% of the total UI operating budget for FY19.
- The department's program integrity efforts are working as shown in the March 2018 fraud report.

Motion by Mr. Reihl, second by Mr. Manley to approve the 0.01% assessment of employers for program integrity efforts in 2019. The motion carried unanimously.

7. Worker Misclassification Quarterly Report

Ms. Knutson informed the Council that a formal Worker Classification Section has been organized in BOLA and the section will be supervised by Mr. Mike Myszewski in his new role of Compliance Officer.

Mr. Myszewski provided the following report:

- Through September 14, 2018, 485 worker classification investigations have been completed for this federal fiscal year.
- From the project initiation (May 2013) to September 14, 2018, 1,911 worker classification investigations have been conducted.
- Since the beginning of the project in May of 2013, $1,921,062.36 in UI tax and interest have been assessed.
- Since the beginning of the project, 693 investigations (36.3%) have resulted in referrals to Field Audit.

- Federal grant funding ended in September 2017. After that date, funds were made available from the UI Program Integrity Fund to continue misclassification investigations.
- As of October 1, 2018, the BOLA Worker Classification Section will consist of 3.6 FTE's and one half-time LTE.

Six worker misclassification public service announcements (PSAs) were produced by the department and broadcast in August and September of 2017, and again in May and June of 2018. The PSAs were produced in both English and Spanish, and were broadcast over 20,000 times across 190 Wisconsin radio stations. The department has received misclassification complaints resulting from the PSAs.

Mr. Mielke stated that he was recently contacted by a contractor looking for guidance on what actions can be taken to ensure they are properly classifying their workers. Mr. Myszewski recommended that they first review the information and resources available on the department's worker classification website (https://dwd.wisconsin.gov/worker_classification/), but if they are unable to find the information they are looking for or still have questions after reviewing the website they can contact Mr. Myszewski at the phone number listed on the website for additional clarification. Ms. Knutson added that each worker classification situation is unique so there is no guarantee without evaluating the individual case, which is why the department has made it a goal to first educate employers on each factor in the law that is used to determine whether a worker is an independent contractor or an employee. Mr. Myszewski indicated that in August 2018 alone the section met with two management groups and two labor groups to educate them on the worker classification law.

Mr. Gotzler asked for confirmation that no federal funding is available for worker misclassification efforts since the federal funding ended in September 2017. Ms. Knutson clarified that the funding that expired in September 2017 was a specific federal grant the department applied for and received. There is federal funding available that is part of the UI Division's general federal administrative grant, but also some of the program integrity funds are used for the worker misclassification efforts. Mr. Handrick added that the department accounted for the federal grant to be one-time funding and structured the division's budget so that it could absorb those costs when the federal funds ended. The 0.01% assessment is a large component of allowing the efforts to continue.

8. Proposed Amendments to DWD Administrative Rules Chapters 100-150

Ms. Knutson reported that the department held a public hearing in Madison on July 12, 2018 relating to minor and technical changes to Wis. Admin. Code DWD chs. 100-150. Council member Mr. Terry Hayden attended the hearing representing the UIAC. There were no other attendees at the hearing and no written comments were received from the public.

Clearinghouse Report

The department received comments from the Legislative Council Rules Clearinghouse on the proposed changes to DWD 100-150. The majority of the comments were minor and technical in

nature. The Legislative Council Rules Clearinghouse comments, the department's response to the Clearinghouse comments, and the updated draft of DWD 100-150 were presented to the Council for consideration and approval of the recommended final rule.

The department incorporated all changes suggested by the Legislative Council Rules Clearinghouse with the exception of the following:

4.e. Sections DWD 149.06 (4) and 149.07 (6) reference 42 USC 503 (a) (1), which requires state law to include "methods of administration … as are found by the Board [Secretary of Labor] to be reasonably calculated to insure full payment of unemployment compensation when due". The provision does not specifically refer to confidentiality requirements. Does the agency intend to refer to this provision?

The department intended to refer to this provision. Current sections DWD 149.06 (4) and 149.07 (6) reference 42 USC 303 (a) (1). The proposed change is to amend "303" to "503." Section 303 of the federal Social Security Act is 42 USC § 503. 42 USC § 503(a)(1), not 42 USC § 303(a)(1), is the statutory basis for US-DOL's federal regulations regarding confidentiality referenced in sections DWD 149.06 (4) and 149.07 (6). See 20 CFR § 603.4. The department is correcting the typo in the current rule to reflect the correct federal statute.

In addition to the changes made at the recommendation of the Legislative Council Rules Clearinghouse, the department amended DWD § 140.20(4)(d) to remove a redundant phrase regarding the payment of mileage for witnesses and interpreters. The definition of "Informer" is renumbered in DWD 101 (from DWD 100) and amended to "Informant".

Mr. Manley stated he reviewed the recommendations the Clearinghouse suggested as well as the department's response to the suggested changes and amendments that were made to the rule draft and felt the changes did not raise any concerns relative to what the Council had previously approved.

Ms. Knutson requested the Council review and approve the proposed changes to the rule draft during today's meeting in order to stay on timeline in the administrative rulemaking process so that the rule changes can become effective next year. Mr. Reihl responded that the members would discuss it in caucus.

9. Update on Court Cases

Ms. Knutson reported that the Wisconsin Supreme Court issued two decisions of interest on June 26, 2018:

- Wisconsin Dep't of Workforce Dev. v. Wisconsin Labor & Indus. Review Comm'n, 2018 WI 77, 382 Wis. 2d 611, 914 N.W.2d 625.

- Tetra Tech EC, Inc. v. Wisconsin Dep't of Revenue, 2018 WI 75, 382 Wis. 2d 496, 914 N.W.2d 21.

DWD v. LIRC, Valarie Beres & Mequon Jewish Campus, Inc.

The Wisconsin Supreme Court unanimously reversed the decision of the court of appeals and found that *Beres* was discharged for misconduct connected with her employment, so the department was successful in that appeal. The supreme court found that LIRC incorrectly interpreted Wis. Stat. § 108.04(5)(e); LIRC should have found misconduct even though the employer's absenteeism policy is "stricter" than the "default" standard in the misconduct statute.

WDR v LIRC, Tetra Tech EC, Inc., & Lower Fox River Remediation LLC

In *Tetra Tech* the Wisconsin Supreme Court decided to end the practice of deferring to administrative agencies' conclusions of law. The supreme court held that it will now review an administrative agency's conclusions of law under the same standard applied to a circuit court's conclusion of law – de novo.

The supreme court further provided that courts will give, at most, "due weight" consideration to agency conclusions of law and the court set forth four factors to consider in whether to grant due weight.

Tetra Tech involved a Department of Revenue case that was reviewed under chapter 227. The *Tetra Tech* court said that, pursuant to Wis. Stat. § 227.57(10), courts will give, "due weight" to an administrative agency's experience, technical competence, and specialized knowledge as the court considers the agency's arguments.

In *Beres*, the Wisconsin Supreme Court referenced, without analysis, the *Tetra Tech* due weight standard derived from chapter 227. However, unemployment insurance cases are reviewed under chapter 108, not chapter 227. Unlike Wis. Stat. § 227.57(10), chapter 108 does not give "due weight" to LIRC's knowledge and experience. The only statutory basis to review a LIRC unemployment decision is found in Wis. Stat. § 108.09(7)(c)6.

The court in *Beres* ambiguously answers the question whether the due weight standard established in *Tetra Tech* applies in unemployment appeals and did not address how the standard applies to chapter 108.

The court of appeals recently decided a LIRC worker's compensation appeal under Wis. Stat. § 102.23(1)(a)1., which also prohibits review under chapter 227. In that case, the court of appeals cited *Tetra Tech* as its basis for *de novo* review of LIRC's decision but did not analyze the due weight factors and did not opine whether due weight consideration should be given to LIRC's conclusions of law in a chapter 102 appeal. The outcomes of the worker's compensation appeals are relevant because the language in chapter 108 is similar to the corresponding language in chapter 102.

Ms. Knutson stated the department is hoping the court of appeals will provide guidance and clarification in the near future.

10. Research Requests

The department does not have any pending research requests from the Council at this time; however, Council members may bring forward any new requests or research items.

11. Future Meeting Dates and Public Hearing

The next Council meeting and the public hearing on the UI program are scheduled for November 15, 2018. The business meeting of the Council is scheduled to begin at 10:00 a.m., followed by the public hearing in the afternoon from 3:00 – 6:00 p.m. Those interested in attending the public hearing can participate via video conference in Madison, Eau Claire, Green Bay, La Crosse, Superior, Milwaukee or Wausau. Ms. Knutson encouraged Council members to attend the public hearing if they are available. The public comment period will be open until November 16, 2018 and the department is currently accepting written comments, including those submitted by email to the department.

Motion to Caucus

Motion by Mr. Gotzler, second by Mr. Reihl to go into closed caucus under Wis. Stat. § 19.85(1)(ee) to deliberate administrative rule changes and any other agenda items at 11:15 a.m. The motion carried unanimously.

Report out of Caucus

The Council reconvened at 12:50 p.m.

Motion by Mr. Lump, second by Ms. Feistel to approve the proposed changes to Wis. Admin. Code DWD chs. 100-150. The motion carried unanimously.

12. Adjourn

Motion by Ms. Feistel, second by Mr. Lump to adjourn at 12:52 p.m. The motion carried unanimously.

2019 UI Employer Tax Rate Highlights

January 17, 2019

Employer tax rates for 2019 were mailed in October of 2018.

Wisconsin Statute §108.18(3)(m) provides for four separate rate schedules, dependent on the balance of the Trust Fund on June 30. Schedule A has the highest tax rates. The rates are progressively lower as the Trust Fund balance increases.

The balance of the Trust Fund on 6/30/2018 was $1.6 billion which meant that Wisconsin's employers would be in Schedule D, the lowest schedule, for a second year.

Statutory Tax Schedules

- Wisconsin has 4 separate tax rate schedules. They run from A through D, with A raising the largest amount of tax revenue and D the least.
- The schedule for a year depends on the balance of the UI Trust Fund on June 30 of the preceding tax year.

	Tax Schedule	UI Trust Fund Amount "Trigger Amount"
2010-2015 →	A	Less than $300 million
2016 →	B	$300 to $900 million
2017 →	C	$900 million to $1.2 billion
2018-2019 →	D	Greater than $1.2 billion

1. The following shows the number and payroll of employers whose rate in comparison with the previous year either decreased, did not change, increased, or were rated at the new employer rate.

Change in Tax Rate Year to Year
Employer Count

		2015 Rates Schedule A		2016 Rates Schedule B		2017 Rates Schedule C		2018 Rates Schedule D		2019 Rates Schedule D	
	Tax Rate Change	Employer Count	Percent of Employers	Employer Count	Percent of Employers	Employer Count	Percent of Employers	Employer Count	Percent of Employers	Employer Count	Percent of Employers
A—	Decrease	48,882	37.1%	81,363	61.0%	82,234	60.6%	74,672	54.3%	53,380	38.0%
	No change	26,727	20.3%	4,824	3.6%	3,343	2.5%	10,819	7.9%	32,299	23.0%
B—	Increase	35,841	27.2%	26,881	20.1%	28,876	21.3%	30,447	22.1%	32,042	22.8%
	New ER	20,167	15.3%	20,402	15.3%	21,243	15.7%	21,703	15.8%	22,674	16.2%
	Total	**131,617**	**100.0%**	**133,470**	**100.0%**	**135,696**	**100.0%**	**137,641**	**100.0%**	**140,395**	**100.0%**

Change in Tax Rate Year to Year
Employer FY '18 Payroll

($ in millions)

		2015 Rates Schedule A		2016 Rates Schedule B		2017 Rates Schedule C		2018 Rates Schedule D		2019 Rates Schedule D	
	Tax Rate Change	FY'14 Payroll	Percent of Payroll	FY'15 Payroll	Percent of Payroll	FY '16 Payroll	Percent of Payroll	FY '17 Payroll	Percent of Payroll	FY '18 Payroll	Percent of Payroll
C —	Decrease	$14,960	50.0%	$24,913	80.6%	$23,236	73.3%	$23,428	72.3%	$14,819	44.9%
	No change	6,997	23.4%	739	2.4%	862	2.7%	849	2.6%	8,583	26.0%
	Increase	7,266	24.3%	4,434	14.3%	6,752	21.3%	7,364	22.7%	8,790	26.6%
	New ER	712	2.4%	824	2.7%	862	2.7%	763	2.4%	816	2.5%
	Totals	**$29,935**	**100.0%**	**$30,910**	**100.0%**	**$31,712**	**100.0%**	**$32,406**	**100.0%**	**$33,009**	**100.0%**

- Since this is the second year of Schedule D, all changes are due to employer experience rating, and are not a result of a schedule change.

- Of the "no change" employers, nearly 25% (7,533) were already rated at the lowest possible tax rate (zero for small employers and 0.05% for large). Another 6% remained at the maximum rate of 12%. Substantially all of the "no change" employers (92%) had a positive reserve fund.

2. The following chart shows the history of the number of employers in each of the various rate range categories. The maximum tax rate is 12%. Schedules C and D have a tax rate of zero for employers with payroll under $500,000.

Number of Employers
By Tax Rate Category

	Tax Rate Categories	Number of Employers 2015 (Schedule A)	Number of Employers 2016 (Schedule B)	Number of Employers 2017 (Schedule C)	Number of Employers 2018 (Schedule D)	Number of Employers 2019 (Schedule D)
	0%			11,096	11,867	12,745
A—	More than 0 and less than 1%	39,351	44,352	45,121	56,319	59,057
	1% and less than 2%	24,571	32,336	27,248	20,402	20,617
	2% and less than 3%	11,102	10,032	9,441	10,500	10,734
	3% and less than 4%	30,092	25,023	26,497	26,416	26,586
	4% and less than 5%	8,587	7,734	6,226	3,614	3,205
	5% and less than 6%	952	1	1	1	2
	6% and less than 7%	4,197	3,638	2,828	2,620	2,177
	7% and less than 8%	2,372	1,896	888	733	592
	8% and less than 9%	2,233	1,863	1,062	836	799
	9% and less than 10%	1,357	1,101	922	736	646
	10% and less than 11%	379	303	291	269	211
	11% and less than 12%	1,142	937	791	598	549
B—	12%	5,278	4,254	3,284	2,730	2,475
	Total	**131,613**	**133,470**	**135,696**	**137,641**	**140,395**
C—	Employers with Positive Reserve	114,655	119,478	125,630	129,119	132,946
D—	Employers with Negative Reserve	16,958	13,992	10,066	8,522	7,449
E—	Employers with Positive Reserve	87%	90%	93%	94%	95%
F—	Employers with Negative Reserve	13%	10%	7%	6%	5%

*Only Schedule A has a rate between 5% and 6% (large employers' rate of 5.27%). The one or two employers in that rate category in Schedules B, C and D reflect seasonal employers under §108.18(9e) who pay slightly different rates. The number of employers who have chosen to be seasonal in any year is between 10-20.

The green colored rows reflect employers with positive reserve funds.

The peach colored rows are employers with reserve funds less than zero. The reserve fund balance reflects the amount of taxes paid in comparison to the amount of benefits paid for an individual employer's account.

- For 2019, 95% of employers were rated based on a positive reserve fund using the statutory dates for rate calculation.

- The percent of employers with a positive reserve fund has grown from 87% to 95% from the 2015 tax year to the 2019 tax year.

- There are 12,745 employers who will have a zero-tax rate for 2019. Although these employers will pay no UI taxes for 2019 payrolls, the employers are still required to file tax and wage reports. Of these zero-rated employers, 7,153 (56%) were also at the zero-tax rate for 2018.

- Note that the number of employers with a positive reserve fund (in green) increased by 3,827 employers in 2019 rates compared to 2018. The percentage of employers with a positive reserve fund has increased every year since 2015 as employers recover from the recession.

- Likewise, the number of employers at the maximum rate of 12% has decreased from 5,278 in 2018 to 2,475 for 2019.

3. Each year, when rates are run, a calculation is done on the change in the tax collected. By holding payroll constant, the effect of the changes in tax rates can be measured. This is not a forecast or projection. Since 2019 rates are based on the same schedule as 2018, the reduction of taxes is solely due to the improvement on individual employer's experience.

Taxes 2019 Compared to 2018
Rates X FY'18 Payroll*
($ in millions)

	Tax Rate Change	Employer Count	FY Payroll '18 Payroll	Percent of FY '18 Payroll	Calculated Tax	Percent of 2019 Calculated Tax	Tax increase (decrease)*
A—	Decrease	53,380	$ 14,819	45%	$ 185	35%	$ (103)
	No change	32,299	8,583	26%	137	26%	-
B—	Increase	32,042	8,790	27%	182	34%	56.7
	New ER	22,674	816	2%	26	5%	0.4
	Total	**140,395**	**$ 33,009**	**100%**	**$ 530**	**100%**	**$ (45)**

**(2019 employer tax rate X 2018 fiscal payroll) less (2018 employer tax rate X 2018 fiscal payroll)*

- On the next page is a calculation of the savings in each NAICS code based on holding payroll constant and using the 2019 and 2018 rates.

- All NAICS codes have lower rates in 2019 except for 22-Utilities which had a large employer that skewed the results.

2019 Tax Rate Analysis
(NAICS Who Pays and Saves)
2019 Tax Savings*
($ in millions)

NAICS Number and Description	Calculated Tax 2018	Calculated Tax 2019	Sorted by $ Tax Difference $ Tax Difference 2019 Less 2018	Percent Change
31-33 Manufacturing	$ 124.9	$ 114.8	$ (10.0)	(8.0%)
23 Construction	95.5	88.9	(6.7)	(7.0%)
44-45 Retail Trade	51.1	45.1	(6.0)	(11.8%)
72 Accommodation and Food Services	37.4	32.4	(5.0)	(13.3%)
62 Health Care and Social Assistance	40.8	36.9	(3.8)	(9.4%)
56 Administrative and Support and Waste Management and Remediation Services	54.9	51.2	(3.7)	(6.7%)
42 Wholesale Trade	29.0	27.0	(2.0)	(6.9%)
48-49 Transportation and Warehousing	30.1	28.6	(1.5)	(5.1%)
54 Professional, Scientific, and Technical Services	25.9	24.4	(1.4)	(5.6%)
81 Other Services (except Public Administration)	12.3	11.0	(1.3)	(10.7%)
71 Arts, Entertainment, and Recreation	9.3	8.4	(0.9)	(9.4%)
51 Information	9.6	8.9	(0.7)	(7.7%)
52 Finance and Insurance	23.6	22.9	(0.7)	(2.9%)
11 Agriculture, Forestry, Fishing and Hunting	7.6	7.0	(0.6)	(8.5%)
53 Real Estate and Rental and Leasing	6.1	5.8	(0.4)	(5.9%)
55 Management of Companies and Enterprises	5.8	5.6	(0.3)	(4.4%)
61 Educational Services	2.4	2.2	(0.3)	(10.5%)
92 Public Administration	1.8	1.7	(0.1)	(7.3%)
21 Mining, Quarrying, and Oil and Gas Extraction	3.1	3.0	(0.1)	(2.6%)
99/00 Unclassified	3.0	3.0	(0.0)	(1.3%)
22 Utilities	1.4	1.4	0.1	5.8%
Total	**$ 575.8**	**$ 530.3**	**$ (45.5)**	**(7.9%)**

**(2019 employer tax rate X FY '18 payroll) less (2018 employer tax rate X FY '18 payroll)*

4. The following charts show the distribution of tax rates by employer sector. The first chart shows the distribution by employer count and the second shows the distribution by employer FY '18 payroll. The small charts below each spotlight Construction, Manufacturing and Health Care, and are helpful in deciphering how the chart is laid out.

Taxable Employer Count by 2019 Rates
NAICS Code Count

Open, Subject, Taxable 10/6/18

NAICS Code	Less than 2%		2.0% to 3.9%		4.0% to 5.9%		6.0% to 7.9%		8% to 9.9%		Greater than10%		Total	
11 Agriculture, Forestry, Fishing and Hunting	2,047	77%	324	12%	78	3%	63	2%	40	2%	90	3%	**2,642**	**2%**
21 Mining, Quarrying, and Oil and Gas Extraction	63	40%	32	20%	18	11%	10	6%	12	8%	24	15%	**159**	**0%**
22 Utilities	81	82%	14	14%	1	1%	2	2%	0	0%	1	1%	**99**	**0%**
23 Construction	7,501	53%	3,128	22%	704	5%	834	6%	512	4%	1,523	11%	**14,202**	**10%**
31-33 Manufacturing	6,259	76%	1,402	17%	215	3%	171	2%	57	1%	133	2%	**8,237**	**6%**
42 Wholesale Trade	8,411	75%	2,186	20%	221	2%	198	2%	82	1%	78	1%	**11,176**	**8%**
44-45 Retail Trade	8,686	80%	1,603	15%	181	2%	136	1%	56	1%	139	1%	**10,801**	**8%**
48-49 Transportation and Warehousing	2,990	64%	1,036	22%	162	3%	153	3%	103	2%	246	5%	**4,690**	**3%**
51 Information	1,096	71%	374	24%	33	2%	24	2%	13	1%	4	0%	**1,544**	**1%**
52 Finance and Insurance	4,099	80%	879	17%	66	1%	56	1%	21	0%	15	0%	**5,136**	**4%**
53 Real Estate and Rental and Leasing	2,789	73%	835	22%	72	2%	57	1%	24	1%	33	1%	**3,810**	**3%**
54 Professional, Scientific, and Technical Services	9,968	71%	3,259	23%	270	2%	215	2%	100	1%	138	1%	**13,950**	**10%**
55 Management of Companies and Enterprises	397	72%	134	24%	7	1%	7	1%	3	1%	3	1%	**551**	**0%**
56 Administrative and Support and Waste Management and	3,945	55%	1,822	26%	352	5%	343	5%	194	3%	486	7%	**7,142**	**5%**
61 Educational Services	974	72%	328	24%	24	2%	17	1%	8	1%	1	0%	**1,352**	**1%**
62 Health Care and Social Assistance	12,016	59%	7,613	38%	335	2%	167	1%	66	0%	34	0%	**20,231**	**14%**
71 Arts, Entertainment, and Recreation	1,587	67%	491	21%	94	4%	74	3%	32	1%	103	4%	**2,381**	**2%**
72 Accommodation and Food Services	8,765	78%	2,045	18%	162	1%	85	1%	44	0%	108	1%	**11,209**	**8%**
81 Other Services (except Public Administration)	10,139	81%	1,943	16%	166	1%	143	1%	70	1%	64	1%	**12,525**	**9%**
92 Public Administration	47	77%	6	10%	4	7%	1	2%	0	0%	3	5%	**61**	**0%**
99/00 Unclassified	559	7%	7,866	93%	42	0%	13	0%	8	0%	9	0%	**8,497**	**6%**
Total	**92,419**		**37,320**		**3,207**		**2,769**		**1,445**		**3,235**		**140,395**	
Percent of Employers		**66%**		**27%**		**2%**		**2%**		**1%**		**2%**		**100%**

All Employers

Rate Category	Employer Count	Percent
Less than 2%	92,419	66%
2.0% to 3.9%	37,320	27%
4.0% to 5.9%	3,207	2%
6.0% to 7.9%	2,769	2%
8% to 9.9%	1,445	1%
More than10%	3,235	2%
Total	**140,395**	**100%**

23 Construction

Rate Category	Employer Count	Percent
Less than 2%	7,501	53%
2.0% to 3.9%	3,128	22%
4.0% to 5.9%	704	5%
6.0% to 7.9%	834	6%
8% to 9.9%	512	4%
More than10%	1,523	11%
Total	14,202	100%

31-33 Manufacturing

Rate Category	Employer Count	Percent
Less than 2%	6,259	76%
2.0% to 3.9%	1,402	17%
4.0% to 5.9%	215	3%
6.0% to 7.9%	171	2%
8% to 9.9%	57	1%
More than10%	133	2%
Total	8,237	100%

62 Health Care and Social Assistance

Rate Category	Employer Count	Percent
Less than 2%	12,016	59%
2.0% to 3.9%	7,613	38%
4.0% to 5.9%	335	2%
6.0% to 7.9%	167	1%
8% to 9.9%	66	0%
More than10%	34	0%
Total	20,231	100%

FY 18 Taxable Payroll by 2019 Rates

($ in millions)

NAICS Code Payroll

Open, Subject, Taxable 10/6/18

NAICS Code	Less than 2%		2.0% to 3.9%		4.0% to 5.9%		6.0% to 7.9%		8% to 9.9%		More than10%		Tota	
11 Agriculture, Forestry, Fishing and Hunting	$ 344	79%	$ 49	11%	$ 17	4%	$ 7	2%	$ 3	1%	$ 14	3%	**$ 434**	**1%**
21 Mining, Quarrying, and Oil and Gas Extraction	32	41%	23	29%	10	13%	2	3%	3	4%	8	10%	**78**	**0%**
22 Utilities	170	97%	3	2%	2	1%	0	0%	0	0%	0	0%	**175**	**1%**
23 Construction	776	36%	483	23%	311	15%	232	11%	73	3%	260	12%	**2,135**	**6%**
31-33 Manufacturing	6,485	85%	939	12%	101	1%	76	1%	11	0%	58	1%	**7,670**	**23%**
42 Wholesale Trade	1,595	81%	308	16%	38	2%	14	1%	4	0%	4	0%	**1,963**	**6%**
44-45 Retail Trade	3,782	91%	304	7%	60	1%	13	0%	3	0%	7	0%	**4,169**	**13%**
48-49 Transportation and Warehousing	1,049	74%	192	14%	34	2%	76	5%	17	1%	47	3%	**1,414**	**4%**
51 Information	628	88%	79	11%	6	1%	2	0%	1	0%	0	0%	**716**	**2%**
52 Finance and Insurance	1,754	89%	207	10%	16	1%	3	0%	1	0%	0	0%	**1,980**	**6%**
53 Real Estate and Rental and Leasing	292	76%	77	20%	10	3%	4	1%	1	0%	2	1%	**387**	**1%**
54 Professional, Scientific, and Technical Services	1,289	78%	287	17%	46	3%	13	1%	6	0%	15	1%	**1,655**	**5%**
55 Management of Companies and Enterprises	466	94%	24	5%	1	0%	3	1%	0	0%	0	0%	**495**	**2%**
56 Administrative and Support and Waste Management and	1,674	66%	614	24%	109	4%	71	3%	20	1%	60	2%	**2,547**	**8%**
61 Educational Services	136	81%	28	16%	3	2%	1	1%	0	0%	0	0%	**169**	**1%**
62 Health Care and Social Assistance	2,252	80%	510	18%	53	2%	9	0%	3	0%	5	0%	**2,831**	**9%**
71 Arts, Entertainment, and Recreation	289	70%	64	16%	31	7%	16	4%	4	1%	10	2%	**414**	**1%**
72 Accommodation and Food Services	2,205	83%	347	13%	42	2%	22	1%	11	0%	26	1%	**2,652**	**8%**
81 Other Services (except Public Administration)	743	82%	133	15%	14	2%	10	1%	3	0%	3	0%	**906**	**3%**
92 Public Administration	86	86%	1	1%	13	13%	0	0%	0	0%	0	0%	**100**	**0%**
99/00 Unclassified	31	26%	84	71%	2	2%	1	0%	0	0%	0	0%	**119**	**0%**
Total	**$ 26,080**		**$4,755**		**$ 920**		**$ 574**		**$ 163**		**$ 518**		**$33,009**	
Percent of Payroll		**79%**		**14%**		**3%**		**2%**		**0%**		**2%**		**100%**

All Employers

Rate Category	FY '18 Payroll	Percent
Less than 2%	$ 26,080	79%
2.0% to 3.9%	4,755	14%
4.0% to 5.9%	920	3%
6.0% to 7.9%	574	2%
8% to 9.9%	163	0%
More than10%	518	2%
Total	**$ 33,009**	**100%**

23 Construction

Rate Category	FY '18 Payroll	Percent
Less than 2%	$ 776	36%
2.0% to 3.9%	483	23%
4.0% to 5.9%	311	15%
6.0% to 7.9%	232	11%
8% to 9.9%	73	3%
More than10%	260	12%
Total	$ 2,135	100%

31-33 Manufacturing

Rate Category	FY '18 Payroll	Percent
Less than 2%	$ 6,485	85%
2.0% to 3.9%	939	12%
4.0% to 5.9%	101	1%
6.0% to 7.9%	76	1%
8% to 9.9%	11	0%
More than10%	58	1%
Total	$ 7,670	100%

62 Health Care and Social Assistance

Rate Category	FY '18 Payroll	Percent
Less than 2%	$ 2,252	80%
2.0% to 3.9%	510	18%
4.0% to 5.9%	53	2%
6.0% to 7.9%	9	0%
8% to 9.9%	3	0%
More than10%	5	0%
Total	$ 2,831	100%

5. For a three-year period of 2015 through 2018, a calculation of taxes paid and benefits charged, by NAICS, is below.

Taxes Paid and Benefits Charges July 1, 2015 to June 30, 2018						
NAICS Code	**Payments Credited to Reserve Fund**	**Benefit Charges**	**Difference**	**% Taxable Payroll**	**% Benefit Charge**	**% Taxes Paid**
(Sorted by NAICS Employement Sector)	*(in millions)*			*(in percent)*		
11 Agriculture, Forestry, Fishing and Hunting	$ 22.9	$ 14.7	$ 8.1	1.3%	1.4%	1.3%
21 Mining, Quarrying, and Oil and Gas Extraction	7.7	7.6	0.1	0.2%	0.7%	0.4%
22 Utilities	3.2	3.0	0.2	0.5%	0.3%	0.2%
23 Construction	274.8	300.7	(25.9)	6.5%	28.0%	14.4%
31-33 Manufacturing	347.3	221.7	125.6	23.2%	20.7%	21.8%
42 Wholesale Trade	76.6	42.6	34.0	6.0%	4.0%	4.9%
44-45 Retail Trade	140.3	60.6	79.7	12.7%	5.7%	9.6%
48-49 Transportation and Warehousing	82.5	59.9	22.6	4.3%	5.6%	4.8%
51 Information	25.6	16.3	9.3	2.2%	1.5%	1.7%
52 Finance and Insurance	56.8	33.5	23.4	6.0%	3.1%	4.0%
53 Real Estate and Rental and Leasing	16.5	9.1	7.4	1.2%	0.9%	1.0%
54 Professional, Scientific, and Technical Services	66.9	45.0	21.9	5.0%	4.2%	4.1%
55 Management of Companies and Enterprises	16.0	10.6	5.4	1.5%	1.0%	1.1%
56 Adm and Suprt and Waste Magt	181.6	115.2	66.5	7.7%	10.7%	10.6%
61 Educational Services	7.1	4.3	2.8	0.5%	0.4%	0.4%
62 Health Care and Social Assistance	105.9	40.2	65.7	8.6%	3.7%	6.8%
71 Arts, Entertainment, and Recreation	30.2	19.7	10.5	1.3%	1.8%	1.7%
72 Accommodation and Food Services	98.9	40.4	58.4	8.0%	3.8%	6.3%
81 Other Services (except Public Administration	33.5	17.4	16.1	2.7%	1.6%	2.1%
92 Public Administration	6.6	3.6	3.0	0.3%	0.3%	0.4%
99 Unclassified Establishment	18.3	4.6	13.7	0.3%	0.4%	1.1%
00 Undeclared Industry	18.9	2.1	16.7	0.0%	0.2%	1.1%
Total	**$ 1,638.1**	**$ 1,072.7**	**$ 565.4**	**100.0%**	**100.0%**	**100.0%**

6. Below is a chart calculating the share of tax payments in 2019 by employee sector.

NAICS (Who Pays) 2019 Tax Rates X FY '18 Payroll Sorted by Calculated Tax						
NAICS Number and Description	Number of Employers	Percent of Employers	FY '18 Payroll ($ in millions)	Percentage of Payroll	2019 Calculated tax ($ in millions)	Percentage of Calculated Tax
31-33 Manufacturing	8,237	5.9%	$ 7,669.8	23.2%	$ 114.8	21.7%
23 Construction	14,202	10.1%	2,135.3	6.5%	88.9	16.8%
56 Administrative and Support and Waste Management and Remediation Services	7,142	5.1%	2,547.3	7.7%	51.2	9.7%
44-45 Retail Trade	10,801	7.7%	4,169.4	12.6%	45.1	8.5%
62 Health Care and Social Assistance	20,231	14.4%	2,831.1	8.6%	37.0	7.0%
72 Accommodation and Food Services	11,209	8.0%	2,652.0	8.0%	32.4	6.1%
48-49 Transportation and Warehousing	4,690	3.3%	1,414.0	4.3%	28.6	5.4%
42 Wholesale Trade	11,176	8.0%	1,962.6	5.9%	27.0	5.1%
54 Professional, Scientific, and Technical Services	13,950	9.9%	1,655.1	5.0%	24.4	4.6%
52 Finance and Insurance	5,136	3.7%	1,980.4	6.0%	22.9	4.3%
81 Other Services (except Public Administration)	12,525	8.9%	906.1	2.7%	11.0	2.1%
51 Information	1,544	1.1%	715.6	2.2%	8.9	1.7%
71 Arts, Entertainment, and Recreation	2,381	1.7%	413.6	1.3%	8.4	1.6%
11 Agriculture, Forestry, Fishing and Hunting	2,642	1.9%	434.2	1.3%	7.0	1.3%
53 Real Estate and Rental and Leasing	3,810	2.7%	386.5	1.2%	5.8	1.1%
55 Management of Companies and Enterprises	551	0.4%	494.7	1.5%	5.6	1.1%
99/00 Unclassified	8,497	6.1%	118.6	0.4%	3.0	0.6%
21 Mining, Quarrying, and Oil and Gas Extraction	159	0.1%	77.7	0.2%	3.0	0.6%
61 Educational Services	1,352	1.0%	168.9	0.5%	2.2	0.4%
92 Public Administration	61	0.0%	100.4	0.3%	1.7	0.3%
22 Utilities	99	0.1%	175.1	0.5%	1.5	0.3%
Total	**140,395**	**100.0%**	**$ 33,008.5**	**100.0%**	**$ 530.3**	**100.0%**

Appendix 1

Tax Rate Tables Schedule A through Schedule D

Wisconsin Statute 108.18 Tax Table

		SCHEDULE A 2015		SCHEDULE B 2016		SCHEDULE C 2017		SCHEDULE D 2018	
RESERVE PERCENTAGE		Tax Rate %		Tax Rate %		Tax Rate %		Tax Rate %	
		Payroll		Payroll		Payroll		Payroll	
At least	But less than	Under $500K	$500K or over	Under $500K	$500K or over	Under $500K	$500K or over	Under $500K	$500K or over
Greater than 15%		0.27	0.70	0.05	0.10	0.00	0.05	0.00	0.05
10.00%	15.00%	0.27	0.70	0.25	0.30	0.22	0.25	0.12	0.15
9.50%	10.00%	0.45	1.05	0.40	0.50	0.37	0.40	0.27	0.30
9.00%	9.50%	0.53	1.23	0.50	0.65	0.47	0.50	0.37	0.40
8.50%	9.00%	0.92	1.42	0.85	0.95	0.75	0.80	0.65	0.70
8.00%	8.50%	1.09	1.59	1.00	1.15	0.90	1.00	0.80	0.90
7.50%	8.00%	1.26	1.76	1.10	1.30	1.00	1.15	0.90	1.05
7.00%	7.50%	1.47	1.97	1.30	1.50	1.20	1.35	1.10	1.25
6.50%	7.00%	1.83	2.23	1.60	1.80	1.45	1.65	1.35	1.55
6.00%	6.50%	2.18	2.58	1.95	2.15	1.80	2.00	1.70	1.90
5.50%	6.00%	2.62	3.02	2.40	2.55	2.20	2.40	2.10	2.30
5.00%	5.50%	3.06	3.46	2.80	2.95	2.60	2.80	2.50	2.70
4.50%	5.00%	3.40	3.90	3.20	3.35	3.00	3.20	2.90	3.10
4.00%	4.50%	3.84	4.34	3.60	3.70	3.40	3.55	3.30	3.45
3.50%	4.00%	4.28	4.78	4.10	4.15	3.85	4.00	3.75	3.90
0.00%	3.50%	4.77	5.27	4.65	4.70	4.40	4.55	4.30	4.45
Less Than 0	-1.00%	6.60	6.60	6.60	6.60	6.40	6.40	6.40	6.40
-1.00%	-2.00%	7.10	7.10	7.10	7.10	6.90	6.90	6.90	6.90
-2.00%	-3.00%	7.60	7.60	7.60	7.60	7.40	7.40	7.40	7.40
-3.00%	-4.00%	8.10	8.10	8.10	8.10	7.90	7.90	7.90	7.90
-4.00%	-5.00%	8.60	8.60	8.60	8.60	8.50	8.50	8.50	8.50
-5.00%	-6.00%	9.10	9.10	9.10	9.10	9.05	9.05	9.05	9.05
-6.00%	-7.00%	9.80	9.80	9.80	9.80	9.80	9.80	9.75	9.75
-7.00%	-8.00%	10.55	10.55	10.55	10.55	10.55	10.55	10.55	10.55
-8.00%	-9.00%	11.30	11.30	11.30	11.30	11.30	11.30	11.30	11.30
-9.00%		12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Rates unaffected by schedule									
New Employer		3.60	4.10	3.25	3.40	3.05	3.25	3.05	3.25

Appendix 2

Rate History

Historic Rates

Years	Schedule
1990	Schedule B
1991-1997	Schedule C
1998-2003	Schedule D
2004	Schedule C
2005-2009	Schedule B
2010 – 2015	Schedule A
2016	Schedule B
2017	Schedule C
2018-2019	Schedule D

UI Reserve Fund Highlights

January 17, 2019
2018 Year End Statement

1. Benefit payments in 2018 declined $32.1 million or (7.9%) when compared to benefits paid in 2017.

Benefits Paid	2018 (in millions)	2017 (in millions)	Change (in millions)	Change (in percent)
Total Regular UI Paid	$ 375.9	$ 408.0	$ (32.1)	(7.9%)

2. Total tax receipts declined by (13.2%) compared to last year. This decrease is attributable to a change in tax schedule and to the improvement of individual employer reserve fund balances resulting in lower tax rates.

Tax Receipts	2018 (in millions) Schedule D	2017 (in millions) Schedule C	Change (in millions)	Change (in percent)
Total Tax Receipts	$ 592.8	$ 683.1	$ (90.3)	(13.2%)

3. The 2018 Year End Trust Fund balance was over $1.7 billion, an increase of 17.6% when compared to last year. The trigger amount of $1.2 billion on June 30 was exceeded this year by $400 million. (June 30, 2018 ending UI Cash Balance was $1.6 billion.) Schedule D tax rates were mailed to employers in October.

UI Trust Fund Balance	2018 (in millions)	*2017* (in millions)	Change (in millions)	Change (in percent)
Cash Analysis Statement	$ 1,730.8	$ 1,471.8	$ 259.0	17.6%

4. Interest earned on the Trust Fund is received quarterly. Interest earned for 2018 was $36.9 million compared to $29.7 million in 2017. The U.S. Treasury annualized interest rate for the third quarter was 2.3%.

UI Trust Fund Interest	2018 (in millions)	2017 (in millions)	Change (in millions)	Change (in percent)
Total Interest Earned	$ 36.9	$ 29.7	$ 7.2	24.2%

FINANCIAL STATEMENTS

For the Month Ended December 31, 2018

Division of Unemployment Insurance

Bureau of Tax and Accounting

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
BALANCE SHEET
FOR THE MONTH ENDED December 31, 2018

	CURRENT YEAR	PRIOR YEAR
ASSETS		
CASH:		
U.I. CONTRIBUTION ACCOUNT	1,098,930.63	1,057,423.25
U.I. BENEFIT ACCOUNTS	180,336.92	257,950.45
U.I. TRUST FUND ACCOUNTS (1) (2)	1,740,205,766.98	1,479,554,223.71
TOTAL CASH	1,741,485,034.53	1,480,869,597.41
ACCOUNTS RECEIVABLE:		
BENEFIT OVERPAYMENT RECEIVABLES	75,921,647.38	85,773,401.88
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (3)	(35,717,316.00)	(38,469,017.78)
NET BENEFIT OVERPAYMENT RECEIVABLES	40,204,331.38	47,304,384.10
TAXABLE EMPLOYER RFB & SOLVENCY RECEIV (4) (5)	29,768,851.97	32,396,105.26
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (3)	(18,729,115.64)	(20,014,639.25)
NET TAXABLE EMPLOYER RFB & SOLVENCY RECEIV	11,039,736.33	12,381,466.01
OTHER EMPLOYER RECEIVABLES	22,621,101.20	23,000,749.03
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	(8,547,537.59)	(9,931,533.73)
NET OTHER EMPLOYER RECEIVABLES	14,073,563.61	13,069,215.30
TOTAL ACCOUNTS RECEIVABLE	65,317,631.32	72,755,065.41
TOTAL ASSETS	1,806,802,665.85	1,553,624,662.82
LIABILITIES AND EQUITY		
LIABILITIES:		
CONTINGENT LIABILITIES (6)	28,675,990.83	31,762,614.86
OTHER LIABILITIES	11,066,322.66	9,552,293.69
FEDERAL BENEFIT PROGRAMS	209,392.92	337,448.56
CHILD SUPPORT HOLDING ACCOUNT	12,027.00	8,358.00
FEDERAL WITHHOLDING TAXES DUE	176,596.00	26,531.00
STATE WITHHOLDING TAXES DUE	1,587,487.80	1,565,499.23
DUE TO OTHER GOVERNMENTS (7)	365,796.47	397,453.68
TOTAL LIABILITIES	42,093,613.68	43,650,199.02
EQUITY:		
RESERVE FUND BALANCE	2,347,851,629.67	2,186,864,693.07
BALANCING ACCOUNT	(583,142,577.50)	(676,890,229.27)
TOTAL EQUITY	1,764,709,052.17	1,509,974,463.80
TOTAL LIABILITIES AND EQUITY	1,806,802,665.85	1,553,624,662.82

1. $2,006,065 of this balance is for administration purposes and is not available to pay benefits.

2. $2,103,000 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.

3. The allowance for uncollectible benefit overpayments is 49.2%. The allowance for uncollectible delinquent employer taxes is 45.4%. This is based on the historical collectibility of our receivables. This method of recognizing receivable balances is in accordance with generally accepted accounting principles.

4. The remaining tax due at the end of the current month for employers utilizing the 1st quarter deferral plan is $224,299. Deferrals for the prior year were $296,868.

5. $7,736,938, or 26.0%, of this balance is estimated.

6. $14,884,982 of this balance is net benefit overpayments which, when collected, will be credited to a reimbursable or federal program. $13,791,009 of this balance is net interest, penalties, SAFI, and other fees assessed to employers and penalties and other fees assessed to claimants which, when collected, will be credited to the state fund.

7. This balance includes SAFI Payable of $3,281. The 12/31/2018 balance of the Unemployment Interest Payment Fund (DWD Fund 214) is $6,154. Total LIfe-to-date transfers from DWD Fund 214 to the Unemployment Program Integrity Fund (DWD Fund 298) were $9,483,715.

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
RESERVE FUND ANALYSIS
FOR THE MONTH ENDED December 31, 2018

	CURRENT ACTIVITY	YTD ACTIVITY	PRIOR YTD
BALANCE AT BEGINNING OF MONTH/YEAR:			
U.I. TAXABLE ACCOUNTS	2,822,617,860.70	2,635,459,959.45	2,409,958,025.15
BALANCING ACCOUNT	(1,035,314,472.41)	(1,125,485,495.65)	(1,205,742,751.81)
TOTAL BALANCE	1,787,303,388.29	1,509,974,463.80	1,204,215,273.34
INCREASES:			
TAX RECEIPTS/RFB PAID	1,010,743.94	437,062,924.82	514,701,340.31
ACCRUED REVENUES	1,011,231.78	(2,046,869.66)	(5,373,452.46)
SOLVENCY PAID	334,120.62	155,760,888.40	168,379,457.22
FORFEITURES	7,765.00	232,714.16	466,067.69
BENEFIT CONCEALMENT INCOME	46,888.89	772,761.21	977,018.37
INTEREST EARNED ON TRUST FUND	10,178,511.56	36,939,644.90	29,729,533.01
FUTA TAX CREDITS	1,225.00	43,916.63	67,696.86
OTHER CHANGES	54,510.92	439,874.16	420,168.70
TOTAL INCREASES	12,644,997.71	629,205,854.62	709,367,829.70
DECREASES:			
TAXABLE EMPLOYER DISBURSEMENTS	29,493,432.74	315,749,703.74	343,239,326.41
QUIT NONCHARGE BENEFITS	4,517,312.51	44,983,108.08	46,734,053.95
OTHER DECREASES	6,944.54	(567,423.00)	(3,464,146.88)
OTHER NONCHARGE BENEFITS	1,221,644.04	14,305,877.43	17,099,405.76
TOTAL DECREASES	35,239,333.83	374,471,266.25	403,608,639.24
BALANCE AT END OF MONTH/YEAR:			
RESERVE FUND BALANCE	2,347,851,629.67	2,347,851,629.67	2,186,864,693.07
BALANCING ACCOUNT	(583,142,577.50)	(583,142,577.50)	(676,890,229.27)
TOTAL BALANCE (8) (9) (10)	1,764,709,052.17	1,764,709,052.17	1,509,974,463.80

8. This balance differs from the cash balance related to taxable employers of $1,730,835,305 because of non-cash accrual items.

9. $2,006,065 of this balance is set up in the Trust Fund in two subaccounts to be used for administration purposes and is not available to pay benefits.

10. $2,103,000 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.

01/11/19

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
RECEIPTS AND DISBURSEMENTS STATEMENT
FOR THE MONTH ENDED 12/31/18

RECEIPTS	-CURRENT ACTIVITY--	--YEAR TO DATE---	PRIOR YEAR TO DATE
TAX RECEIPTS/RFB	$1,010,743.94	$437,062,924.82	$514,701,340.31
SOLVENCY	334,120.62	155,760,888.40	168,379,457.22
ADMINISTRATIVE FEE	95.11	1,300.38	1,535.46
ADMINISTRATIVE FEE - PROGRAM INTEGRITY	6,375.86	3,279,868.91	2,904,832.60
UNUSED CREDITS	671,565.37	6,146,521.38	6,027,421.59
GOVERNMENTAL UNITS	647,306.85	10,562,922.19	11,988,922.24
NONPROFITS	725,674.61	11,365,973.62	13,314,619.65
REDA PAID	0.00	0.00	0.00
INTERSTATE CLAIMS (CWC)	425,162.99	3,859,338.89	4,746,858.61
ERROR SUSPENSE	(1,406.27)	695.62	(14,498.52)
FEDERAL PROGRAMS RECEIPTS	123,623.52	379,962.27	390,074.57
OVERPAYMENT COLLECTIONS	1,236,464.34	19,563,803.93	23,938,378.55
FORFEITURES	7,765.00	232,714.16	466,067.69
BENEFIT CONCEALMENT INCOME	46,888.89	772,761.21	977,018.37
EMPLOYER REFUNDS	(505,170.47)	(6,274,574.22)	(6,013,344.92)
COURT COSTS	36,986.30	521,184.29	588,523.09
INTEREST & PENALTY	248,510.52	3,738,633.90	4,126,647.84
BENEFIT CONCEALMENT PENALTY-PROGRAM INTEGRITY	66,289.77	1,063,856.10	1,279,370.97
MISCLASSIFIED EMPLOYEE PENALTY-PROGRAM INTEGRIT'	200.00	2,330.41	0.00
SPECIAL ASSESSMENT FOR INTEREST	2,558.39	18,100.98	54,508.84
INTEREST EARNED ON U.I. TRUST FUND BALANCE	10,178,511.56	36,939,644.90	29,729,533.01
MISCELLANEOUS	27,861.13	86,660.38	101,404.58
TOTAL RECEIPTS	$15,290,128.03	$685,085,512.52	$777,688,671.75
DISBURSEMENTS			
CHARGES TO TAXABLE EMPLOYERS	$30,376,466.80	$331,758,643.93	$361,718,456.85
NONPROFIT CLAIMANTS	725,356.99	10,619,754.52	12,071,560.80
GOVERNMENTAL CLAIMANTS	846,112.59	9,770,270.86	11,281,548.43
INTERSTATE CLAIMS (CWC)	357,445.76	3,748,886.14	4,176,786.01
QUITS	4,517,312.51	44,983,108.08	46,734,053.95
OTHER NON-CHARGE BENEFITS	1,161,511.72	14,634,944.74	17,359,688.39
CLOSED EMPLOYERS	(639.68)	3,007.46	(37,155.44)
ERROR CLEARING ACCOUNT	0.00	0.00	0.00
FEDERAL PROGRAMS			
FEDERAL EMPLOYEES (UCFE)	154,024.21	1,437,007.83	1,514,892.45
EX-MILITARY (UCX)	44,627.78	509,267.83	758,787.50
TRADE ALLOWANCE (TRA/TRA-NAFTA)	130,870.77	2,409,608.44	3,422,424.25
DISASTER UNEMPLOYMENT (DUA)	14,692.00	20,959.00	0.00
2003 TEMPORARY EMERGENCY UI (TEUC)	(745.86)	(15,579.09)	(27,328.18)
FEDERAL ADD'L COMPENSATION $25 ADD-ON (FAC)	(20,339.98)	(384,314.62)	(472,220.20)
FEDERAL EMERGENCY UI (EUC)	(191,464.38)	(3,199,189.95)	(4,444,024.13)
FEDERAL EXTENDED BENEFITS (EB)	(13,283.13)	(260,244.55)	(327,919.17)
FEDERAL EMPLOYEES EXTENDED BEN (UCFE EB)	(1,825.93)	(4,847.23)	(874.86)
FEDERAL EX-MILITARY EXTENDED BEN (UCX EB)	(135.00)	(4,649.75)	(9,259.12)
INTERSTATE CLAIMS EXTENDED BENEFITS (CWC EB)	(42.13)	(3,361.39)	(3,883.48)
INTEREST & PENALTY	292,714.77	3,763,460.09	4,133,208.71
PROGRAM INTEGRITY	63,136.69	4,341,991.56	4,192,976.83
SPECIAL ASSESSMENT FOR INTEREST	0.00	22,351.66	57,297.94
COURT COSTS	32,365.00	524,820.47	587,840.00
ADMINISTRATIVE FEE TRANSFER	96.03	1,278.34	1,590.55
FEDERAL WITHHOLDING	(90,976.13)	(150,065.00)	83,985.78
STATE WITHHOLDING	(672,845.98)	(21,988.57)	(62,697.22)
STC IMPLEMENT/IMPROVE & PROMOTE/ENROLL EXP	0.00	8,871.23	4,098.48
FEDERAL LOAN REPAYMENTS	(1,225.00)	(43,916.63)	(67,696.86)
TOTAL DISBURSEMENTS	$37,723,210.42	$424,470,075.40	$462,646,138.26
NET INCREASE(DECREASE)	(22,433,082.39)	260,615,437.12	315,042,533.49
BALANCE AT BEGINNING OF MONTH/YEAR	$1,763,918,116.92	$1,480,869,597.41	$1,165,827,063.92
BALANCE AT END OF MONTH/YEAR	$1,741,485,034.53	$1,741,485,034.53	$1,480,869,597.41

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
CASH ANALYSIS
FOR THE MONTH ENDED December 31, 2018

	CURRENT ACTIVITY	YEAR TO DATE ACTIVITY	PRIOR YTD ACTIVITY
BEGINNING U.I. CASH BALANCE	$1,754,058,541.12	$1,471,761,579.73	$1,159,159,974.49
INCREASES:			
TAX RECEIPTS/RFB PAID	1,010,743.94	437,062,924.82	514,701,340.31
U.I. PAYMENTS CREDITED TO SURPLUS	825,617.00	160,959,840.40	176,085,877.86
INTEREST EARNED ON TRUST FUND	10,178,511.56	36,939,644.90	29,729,533.01
FUTA TAX CREDITS	1,225.00	43,916.63	67,696.86
TOTAL INCREASE IN CASH	12,016,097.50	635,006,326.75	720,584,448.04
TOTAL CASH AVAILABLE	1,766,074,638.62	2,106,767,906.48	1,879,744,422.53
DECREASES:			
TAXABLE EMPLOYER DISBURSEMENTS	29,493,432.74	315,749,703.74	343,239,326.41
BENEFITS CHARGED TO SURPLUS	5,745,901.09	60,174,026.72	64,739,417.91
TOTAL BENEFITS PAID DURING PERIOD	35,239,333.83	375,923,730.46	407,978,744.32
SHORT-TIME COMPENSATION EXPENDITURES	0.00	8,871.23	4,098.48
ENDING U.I. CASH BALANCE (11) (12) (13)	1,730,835,304.79	1,730,835,304.79	1,471,761,579.73

11. $1,607,328 of this balance was set up in 2009 in the Trust Fund as a subaccount per the ARRA UI Modernization Provisions and is not available to pay benefits.

12. $398,737 of this balance was set up in 2015 in the Trust Fund as a Short-Time Compensation (STC) subaccount to be used for Implementation and Improvement of the STC program and is not available to pay benefits.

13. $2,103,000 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.

01/11/19

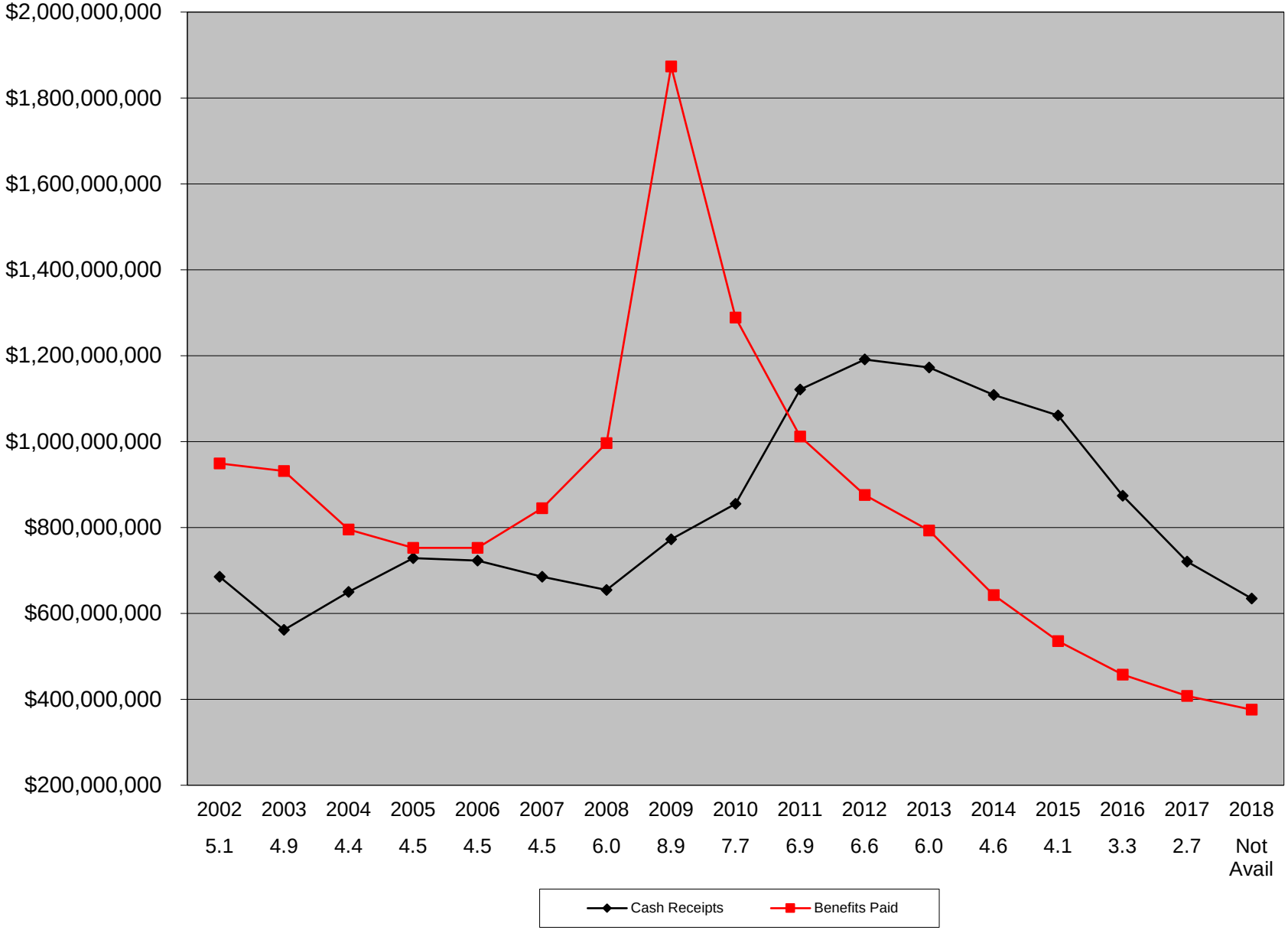
DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
BALANCING ACCT SUMMARY
FOR THE MONTH ENDED December 31, 2018

	CURRENT ACTIVITY	YEAR TO DATE ACTIVITY	PRIOR YTD ACTIVITY
BALANCE AT THE BEGINNING OF THE MONTH/YEAR	($622,287,708.88)	($715,103,113.34)	($798,303,306.16)
INCREASES:			
U.I. PAYMENTS CREDITED TO SURPLUS:			
SOLVENCY PAID	334,120.62	155,760,888.40	168,379,457.22
FORFEITURES	7,765.00	232,714.16	466,067.69
OTHER INCREASES	483,731.38	4,966,237.84	7,240,352.95
U.I. PAYMENTS CREDITED TO SURPLUS SUBTOTAL	825,617.00	160,959,840.40	176,085,877.86
TRANSFERS BETWEEN SURPLUS ACCTS (14)	11,931.53	(39,673,715.52)	(57,939,398.52)
INTEREST EARNED ON TRUST FUND	10,178,511.56	36,939,644.90	29,729,533.01
FUTA TAX CREDITS	1,225.00	43,916.63	67,696.86
TOTAL INCREASES	11,017,285.09	158,269,686.41	147,943,709.21
DECREASES:			
BENEFITS CHARGED TO SURPLUS:			
QUITS	4,517,312.51	44,983,108.08	46,734,053.95
OTHER NON-CHARGE BENEFITS	1,228,588.58	15,190,918.64	18,005,363.94
MISCELLANEOUS EXPENSE	0.00	0.00	0.02
BENEFITS CHARGED TO SURPLUS SUBTOTAL	5,745,901.09	60,174,026.72	64,739,417.91
SHORT-TIME COMPENSATION EXPENDITURES	0.00	8,871.23	4,098.48
BALANCE AT THE END OF THE MONTH/YEAR	(617,016,324.88)	(617,016,324.88)	(715,103,113.34)

14. The 10% writeoff for 2018 was $47 million and is included in this balance. The 10% writeoff shifts employer benefit charges to the balancing account. The 10% writeoff has no effect on receivable balances.

01/11/19

Cash Activity Related to Taxable Employers with WI Unemployment Rate
(for all years from January to December)



UI Public Hearing - November 15, 2018

The Unemployment Insurance Advisory Council Public Hearing was held on November 15, 2018 via video conference in Madison, Eau Claire, Green Bay, La Crosse, Milwaukee, Superior and Wausau from 3:00 p.m. to 6:00 p.m. The department invited the public to submit written comments from August 31, 2018 through November 16, 2018. The attached chart summarizes a list of topics that were addressed in the comments received by individuals that participated in the public hearing process. The following information is a summary of the public hearing:

- 11 people attended the public hearing
    - 5 people registered and spoke
- 21 written comments were received via electronic or first-class mail.

Members of the public attended the hearing at the following locations:

Green Bay
Dept. Staff: Ray Bradley

UIAC Members: **Shane Griesbach**

Madison
Dept. Staff: Janell Knutson, Andy Rubsam, Patrick Lonergan

3 attendees
1 person registered and spoke

Milwaukee
Dept. Staff: Joe Redding

7 attendees
4 people registered and spoke

The following locations were staffed; however, no one appeared at the public hearing.

Eau Claire
Dept. Staff: Jeff Pawelski

La Crosse
Dept. Staff: Ken Adler

Superior
Staff: Technical College Representative

Wausau
Dept. Staff: Joe Handrick

Public Comment Topic Summary

Issue	No. of Comments
Work Search Waiver – Recall	9
Work Search	7
Customer Service	6
UI Eligibility	4
Concealment/Penalties	3
General Comment	3
RES Session	3
1-Week Waiting Period	2
ER Penalties	2
Seasonal Migrant Workers	2
Absenteeism/Misconduct	1
Able and Available	1
Approved Training	1
Benefit Claims	1
Educational EEs	1
ER Portal	1
Employment Transition	1
CCAP	1
Duration of UI	1
Fraud/Concealment	1
Partial Wage	1
Program Integrity	1
Online Claim Filing	1
Suitable Work	1
Taxing UI Benefits	1
UI Claimant Accountability	1
UI FAQ Brochure	1
UI Tax on Small Business	1
Wages	1

UIAC PUBLIC HEARING SUMMARY - November 15, 2018

No.	Law	Topic	Proposal/Comment Summary	Name	Date
1	(a) DWD 127.02/ DWD 147 & 108.066 (b) 108.04(11) & 108.24(1)	(a) Work Search/ Seasonal Migrant Workers (b) Concealment/Penalties	(a) It is too difficult for migrant and seasonal farm workers to access UI. Wisconsin's migrant and seasonal farm workers have difficulties meeting the job search requirements and the department does not consider the labor market when determining if those efforts to find work are reasonable. This results in migrant and seasonal farm workers being discouraged from applying for UI or face large overpayment determinations. (b) Concerned about the severe punishments that have been in put in place for workers attempting to claim UI.	Rep. JoCasta Zamarripa WI 8th Assembly District	(PH) 11/15/18
2	(a) 108.09(1) (b) 108.14(23) / DWD 120.01 (c) 108.14(21) (d) None (e) DWD 127.04 (f) DWD 127.01(2)	(a) ER Penalties (b) UI FAQ Brochure (c) ER Portal (d) Customer Service (e) Work Search (f) Work Search	(a) Impose penalties for ERs that do not participate in the fact finding process when a separation other than layoff occurs. (b) UI should post a FAQ brochure online for ERs outlining the basic UI rules for the ER's EEs. (c) Create an ER portal where ERs can communicate directly with the department online, not through mail or fax. (d) Improve UI customer service and attitudes of Adjudicators. (e) Allow work search evidence to be uploaded into claimant portal in case of audit. (f) Allow Workkeys test, testing for professional certification and approved computer skills training to count as a work search action and provide more examples of acceptable work search actions.	Amundson, Krista	(E) 11/15/18 (E) 11/16/18
3	(a) None (b) DWD 127.07 (c) None	(a) CCAP (b) RES Session (c) ER Penalties	(a) Remove any cases from CCAP *[online searchable court cases]* where someone has not been convicted of a misdemeanor or felony. (b) Too many hoops to jump through to prove one is looking for a job and requiring a 4-hour class is unnecessary for some. (c) Hold ERs accountable for their actions and make it harder for ERs to fire good people.	Anonymous	(E) 10/01/18

4	(a) 108.04(11)(bh), (g) & 108.24(1) (b) DWD 127.01(2) (c) DWD 147/108.066	(a) Concealment/Penalties (b) Work Search (c) Seasonal Migrant Workers	(a) Department should only allege concealment when there is clear, satisfactory and convincing evidence the claimant intentionally concealed important information. There are substantial penalties when concealment is found and 70% of cases were overturned because of the lack of "clear, satisfactory and convincing evidence." Many of the cases alleging concealment are often the result of confusion on the part of migrant farmworker and out-of-state claimants during the weekly claims process. (b) DWD excludes as a valid weekly work search a claimant who contacts an ER who is not hiring. Migrant workers who come to Wisconsin annually to work in canneries live in one of the poorest areas of the country with a high unemployment rate. It is very difficult for these claimants to meet the requirement of finding 4 ERs who are hiring each week. (c) If Wisconsin makes it difficult for migrant workers to qualify for UI benefits, they may be forced to work in other states, resulting in Wisconsin's agricultural food processing industry not having enough workers to sustain its operations.	Bauknecht, John United Migrant Opportunity Services/UMOS, Inc.	(L) 11/15/18
5	108.06(1)	Duration of UI	Reduce UI benefits to 4-8 weeks. Due to extreme industry worker shortages, an able-bodied person should have no problem securing employment.	Bauman, Scott Building Service Industrial Supply	(E) 09/14/18
6	108.02(15)(k)	UI Eligibility	ER seeks a UI exclusion in state law to mirror the federal law exclusion for students who work as camp counselors.	Chernov, Gabe Birch Trail	(PH) 11/15/18
7	(a) None (b) None (c) DWD 129.01 (d) None	(a) Customer Service (b) Customer Service (c) Online Claim Filing (d) Customer Service	(a) A 21-day wait to be assigned to an adjudicator is dangerous to people living paycheck to paycheck. (b) With unemployment rates so low, it doesn't make sense to have to assign people a certain day to call. It is difficult to fit in phone calls over a short lunch hour and then be told you called on the wrong day. (c) Should not require claimants to file online rather than to file by telephone. (d) Train DWD EE's better. Strong listening skills is key to helping people and providing accurate information when talking to claimants.	Cooper, Tawana	(E) 11/16/18

8	(a) 108.18 (b) 108.04 (c) 108.04(11)(g) (d) 108.14(23) (e) DWD 127.07	(a) UI Tax on Small Business (b) UI Claimant Accountability (c) Program Integrity (d) General Comment (e) Employment Transition	In consultation with the members of WI Independent Businesses (ERs with fewer than 25 EEs), the core principles to guide UI advocacy efforts include: (a) Reduce the UI tax burden on small employers. (b) Increase accountability on the part of UI claimants. (c) Improve program integrity and reduce the incidence of UI fraud. (d) Provide clarity to the enforcement of existing UI laws and regulations. (e) Transition UI claimants to gainful employment as quickly as possible.	Dake, Brian WI Independent Businesses	(L) 11/16/18
9	108.04(17)	Educational EEs	As an educational ER, adjudicators are applying UI law inconsistently resulting in some EEs appealing decisions that result in the EE receiving benefits. Concerns with the inconsistency of the UI law being applied by adjudicators and Administrative Law Judges.	Dillon, Lucretia Next Door Foundation	(PH) 11/15/18
10	108.04(1)(bh), (g) & 108.24(1)	Concealment/Penalties	The penalties are too harsh for people who make false statements or representations to obtain benefits for the level of education society has with understanding UI law. The fines are too high for people working low paying, part-time jobs.	Fowlkes, Sarabi	(E) 10/14/18
11	(a) DWD 127.02 (b) 108.04(3)	(a) Work Search - Recall (b) 1-Week Waiting Period	(a) Get rid of work search requirements for seasonal EEs. (b) Allow claimants to get UI benefits the first week of unemployment.	Franda, Robin	(E) 11/13/18
12	DWD 127.02	Work Search - Recall	It is too difficult for seasonal EEs to find employment when laid off and there are limited ERs willing to hire short-term workers.	Gregg	(E) 11/07/18
13	108.04(2)(a)1. & DWD 128.01(3)	Able and Available	Personal situation where UI was denied because she was determined ineligible due to health issue.	Henke, Avis	(E) 11/15/18
14	None	Customer Service	It should not take 21 days for the department to determine if a person should receive UI.	Lewis, Soraya	(E) 09/30/18
15	108.05 & 108.205	UI Eligibility	Food servers and cocktail waitresses should add tips on that are not reflected in pay that is given from an ER for UI. A person should not have to wait 3 weeks to collect UI if income tax return with tip claiming is provided.	Unsigned - Email only	(E) 11/14/18

16	DWD 127.02	Work Search - Recall	Filing UI is a hassle for seasonal EEs who have worked for an ER a long time and do not intend to work for another ER due to a temporary layoff.	Olson, Kyle	(E) 10/09/18
17	DWD 127.02	Work Search - Recall	Change UI law to make it easier for seasonal EEs to go back to work in the spring without making it so difficult during winter months.	Olson, Tasha Olson Toon Landscaping	(E) 11/15/18
18	DWD 127.02	Work Search - Recall	In far northern Wisconsin, most businesses are shut down over winter. As an ER, he receives multiple calls and letters from laid off EEs looking for work as required to satisfy the work search requirements, but his own EEs are already laid off. Rules for seasonal EEs need to change.	Peterson, Bill	(E) 11/06/18
19	(a) DWD 127.02 (b) DWD 127.07 (c) DWD 127.02	(a) Work Search - Recall (b) RES Sessions (c) Work Search - Recall	(a) Has had seasonal job for 20 years and will return to work after winter months. (b) Does not want to sit in 4-hour RES session. (c) Last year, UI withheld benefit checks because his ER did not call DWD to state he would be rehired. Wants to know what to do to make sure that doesn't happen again this year.	Peyton, Dick	(E) 10/12/18
20	(a) 108.04(5)(e) (b) DWD 127.02	(a) Absenteeism/Misconduct (b) Work Search - Recall	(a) The department should advocate for deletion of the statutory language that allows an ER to adopt its own absenteeism policy that is more strict than the "default" standard in the misconduct statute. (b) Changes in the job search requirements for seasonal EEs continue to create hardship on ERs and EEs. Requests DWD to return to original work search rule before the 2015 changes.	Roehre, Claire Hawks Quindel S.C.	(E) 11/15/18

21	(a) DWD 127.07 (b) None (c) None (d) 108.05 (e) DWD 127.01(2) (f) DWD 127.01(2) (g) DWD 127.01(1) & 108.04(8) (h) 108.04(16) (i) DWD 127.04 (j) None (k) None	(a) RES Session (b) General Comment (c) Customer Service (d) Partial Wage (e) Work Search (f) Work Search (g) Work Search & Suitable Work (h) Approved Training (i) Work Search (j) General Comment (k) Wages	(a) RES meeting should take place earlier in the UI process and participants should be notified that RES counts as 4 work search activities and other mandatory meetings count as one. (b) Require additional meeting between claimant and DWD after claimant has been on UI to address additional questions. (c) Allow special circumstance situations to be handled by someone who has authority to make decisions. (d) Explain the impact of working part-time, the partial wage calculator and when to skip filing so claim is not held. (e) Allow claimants who call ERs inquiring about job opportunities to be considered a job search. (f) Give credit for volunteering and participating in professional networking groups as job search. (g) Requiring 4 "valid work searches" per week wastes job seekers and ERs' time for jobs that do not meet requirements for hours, wages, location. (h) More trainings than the currently acceptable DWD trainings should be allowed so claimants are not deemed unavailable for work. (i) When audited, claimant is instructed not to input more than required for four work searches, so the option to enter more should be removed. (j) More consideration should be taken for assisting people with the needs or obstacles they are facing. (k) Wages are not on track for the cost of living.	Roettger, Heidi	(E) 11/10/18
22	108.02(15)(k)	UI Eligibility	ER is seeking a UI exclusion in state law to mirror the federal law exclusion for students who work as camp counselors.	Shlensky, Andy North Star Camp	(PH) 11/15/18
23	108.04(11)(g)	Fraud/Concealment	Each year, the company hires EEs who go through the entire hiring process and end up quitting after 2 days or do not show up at all on the first day. Would there be interest in having ERs submit the names of these individuals to UI?	Sprenger, Christine ANEW Health Care Services, Inc.	(E) 10/19/18

24	(a) DWD 127.02 (b) 108.135 (c) 108.04(3)	(a) Work Search - Recall (b) Taxing UI Benefits (c) 1-Week Waiting Period	(a) Seasonal EEs should be getting UI longer than 12 weeks before having to start weekly job searches. ERs risk losing long-term EEs to other ERs. (b) ERs pay tax on UI and the EEs also pay tax on UI. Isn't this double dipping? (c) Why is there a 1-week waiting period for EE to receive UI?	Stegall, Nadene Marshall Excavating & Septic Installation, Inc.	(L) 10/22/18
25	108.09(2)(c)	Benefit Claims	A claimant that files for UI but fails to respond to adjudicator inquiries is allowed up to two years to call the adjudicator back without showing good cause for failing to respond to the initial inquiry. As a temporary help company, with temporary relationships with EEs and ERs, it is onerous for an ER to answer questions about a separation that occurred two years prior.	Tyman, Joseph ABR Group Services	(PH) 11/15/18
26	108.04(2)	UI Eligibility	The stress of to trying to pursue UI during seasonal layoff caused her to lose her job. Department should give consideration to people who are prevented from working full time when applying for benefits.	Zillges, Deborah	(E) 11/15/18

From: Krista Amundson <amundsonk@gmail.com>
Sent: Thursday, November 15, 2018 8:10 PM
To: DWD MB UI LAW CHANGE
Subject: 2018 Public Hearing

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Blue Category

Hello Ms. Knutson,

I am writing to give feedback about Wisconsin's Unemployment Insurance process. I actually am in a unique position. I am an HR professional that has dealt with UI claims on the ER side, I worked for the Eau Claire Unemployment Hearing Office last year as an LTE, and unfortunately, I was recently a part of a reduction-in-force at my last job at Hutchinson Technology, so I am now a claimant. I have experienced Wisconsin's UI law from almost all angles, and I would like to give feedback on all sides.

Starting with my experience as an HR professional, I think that there should be penalties for employers that do not participate in the fact-finding process when a separation other than layoff needs to be investigated. At the very least, it should be more well known that if they choose not to participate, and a claimant therefore is given benefits that they are not entitled to, and it affects other employers' accounts, that the non-participatory ER will be responsible for the erroneous charges to the other ER's accounts. I also think that there needs to be more done to dispel the myth that ER's get to decide whether or not someone gets benefits. There are so many employers that do not understand that the law dictates that, not them. Additionally, it would be helpful for ER's for UI to put a FAQ brochure online for employers to print to give employees, outlining the basic rules to UI, like the $500/32 hour rule, when they need to file by, who to call if they need help, etc. I understand that there is a ton of info on the website already, but it is not in a format that highlights the basics in an easy-to-understand, printable format. Finally, there should also be an employer portal, where ER's can communicate directly with the State online, not through fax or mail. I know one may use SIDES, but that is clunky and time-consuming. A streamlined program from the State of Wisconsin would be much more beneficial.

Moving onto the standpoint of someone who worked for UI, I think that customer service should be more of a priority for claimants and employers alike, but especially claimants. I get that there are some people that play the system, but overall, the claimants are not the enemy. The poor customer service is evidenced by the outrageous wait times when claimants call in, (but the employer hotline is answered in a couple of rings), not being clear on the number to call to get assistance, not posting the adjudication centers' phone numbers or street addresses, and the legalese that is not easily understood by the average person in documents (which would not present as much of a problem if the claimants could easily contact someone who could help explain it to them). Finally, I think if nothing else changes, top priority should be an attitude change on the part of the adjudicators. As HR and as a claimant, I have found many adjudicators to be rude, impatient, and condescending. It's bad enough when you lose a job, being treated as a bum is just pouring salt in the wound. I think this piece alone would go along way to improve the UI process. (As a sidebar, I do want to mention that I did enjoy my time with DWD and loved the people I worked with. There is an amazing team at the EC Hearing Office.)

Finally, as a claimant, other than the items I mentioned in the paragraph above, I think it would be nice to be able to upload your work search evidence to the claimant portal in case of a work search audit or at least be able to send it in an email to the adjudicator. That way screenshots and the pictures of evidence can be sent more easily. Also, providing more examples of what constitutes a work search action would be helpful, including taking into account prospecting for jobs, since something like 70% of jobs don't even make it to a posted ad.

I think that concludes my feedback on improving the UI system. I hope that hearing from someone that has seen it from almost all sides is beneficial to you and the department. I am glad that there is an opportunity like this to give feedback (I wonder though how employers or anyone that was not drawing UI heard about this to give their point of view?) Please do not hesitate to reach out to me if you have any questions, comments, or concerns regarding the content email. I can be reached at amundsonk@gmail.com or by phone at 715-505-0028.

Thank you for your time and consideration.

Regards,

Krista A. Amundson

From: Krista Amundson <amundsonk@gmail.com>
Sent: Friday, November 16, 2018 4:43 PM
To: DWD MB UI LAW CHANGE
Subject: 2018 Hearing-Additional Feedback

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Blue Category

Hello again Ms. Knutson,

After attending Job Club at the Eau Claire Job Center today, I have a few more suggestions to improve UI, in the area of work search requirements. Namely, educational participation to satisfy work search requirements:

-The Workkeys tests count as a work search action, but the classes required prior to taking it are not. There should be some credit given for those classes, even if it is one work search action for the week.

-Testing for professional certifications should be counted as a work search action. They improve marketability, and some professions, like mine, require them most of the time now.

-Approved computer skills training should be allowed to count as work search actions. They are a necessary skill now in the workplace, and there are many displaced workers that are lacking them, especially older workers who were not raised with them.

I understand that the State wants people off UI and back onto to work as soon as possible, but sometimes education and building of new skills are needed before people can do that. Just because it isn't an application to a job, it does not make these actions any less of a job search function.

Just my two cents. Again, thank you for the opportunity to give this feedback, and for your time and consideration.

Regards,

Krista Amundson

From: [redacted]
Sent: Monday, October 01, 2018 8:39 AM
To: DWD MB UI LAW CHANGE
Subject: Public Hearing Comments

Follow Up Flag: Follow up
Flag Status: Completed

Hello,

I have two anonymous suggestions.

1.) Remove any cases from the online searchable court cases where someone hasn't been convicted of a felony or a misdemeanor.

I'm not a criminal and I follow the law- but any employer CAN AND WILL search that database and exclude you from potential job opportunities- even though they aren't supposed to. And how do you even prove it when it happens? You can't.

It's not the public's business and it not an employer's business. You're making it harder for people to find work.

2.) I have my Masters degree in Business. I have an undergraduate degree in Nursing. The ridiculous time consuming hoops I jump through to "prove" I'm looking for a job are ridiculous. $370/wk doesn't cover my bills and no one is looking harder for my job than me. As opposed to making people sit in some 4 hour class- where I can assure you that people like myself who have been working since 14 will get nothing from it-
I'd love to see you hold former employers accountable for their actions. I was fired without cause and they refused to provide you with the paperwork you requested. I was never in any sort of disciplinary action. I was firing for speaking up against my boss who was asking me to do illegal things, such as reduce hours or terminate those based on age and pregnancy.

Why don't you make employers do the work? My former employer has lots of discrimination claims against them, but no one holds them accountable. Why don't you make it harder for employers to fire good people?

I hope to be off of unemployment soon, but these are two considerations I truly think limit someone's ability to find a new job.

Please submit these as anonymous suggestions as I am trying to limit internet visibility while I look for a new job. If you're unable to, then forget my comments.

Thank you.

Sent from my iPhone

UMOS

Building Better Futures

Maria Watts
Board Chair

Mailing Address: P.O. Box 04129 • Milwaukee, WI 53204
Corporate Offices: 2701 S. Chase Avenue • Milwaukee, WI 53207 • (414) 389-6000 • Fax: (414) 489-0216

Lupe Martinez
President & Chief Executive Officer

TESTIMONY
UNITED MIGRANT OPPORTUNITY SERVICES/UMOS INC.

Public Hearing on Wisconsin's Unemployment Insurance Program
To: Department of Workforce Development
November 15, 2018

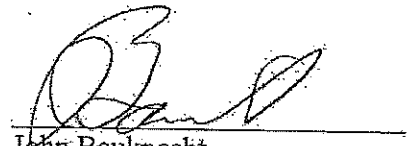
Over 11,000 claimants were accused of concealment in 2014. When appealed, over 70% were overturned, and another 8% remanded. It would appear that the Department is alleging concealment in many cases where a more thorough review of the evidence does not support that finding. However, only a small percentage of concealment findings were appealed (less than 500). Short appeal deadlines and claimants not being aware of the considerable penalties may account for this. Those penalties include forfeiture of future benefits that can amount to thousands of dollars for an overpayment of only a few hundred dollars, as well as 40% of the overpayment and possible criminal charges.

Given the substantially greater penalties that apply when concealment is found, the Department should only allege concealment when the evidence is clear. The statutory standard is "clear, satisfactory and convincing evidence." Kamuchy v. Trzesniewski, 8 Wis.2d 94 (1959). Where over 70% of concealment findings that are appealed are overturned, clearly this standard is not being applied.

The department should not allege concealment without first having clear, satisfactory and convincing evidence that the claimant, in fact, did intentionally conceal important information. Many of the cases in which concealment is alleged result, in fact, from confusion on the part of migrant farmworker and out-of-state claimants during the weekly claims process.

The Department now interprets the work search requirements to mean that contacting an employer who tells the worker that it is not hiring cannot be included as one of the weekly contacts that are required. This interpretation of the work search requirement can have the effect of precluding a valid work search for claimants who live in areas of high unemployment or rural areas with few employment opportunities. This significantly adversely affects migrant farmworkers from south Texas who come to Wisconsin annually to work in canneries. The reason why south Texas is the most reliable source of this workforce is because the Rio Grande valley where these workers come from is one of the poorest areas of the country and has an unemployment rate that is generally among the highest in the country. This makes it very difficult for them to meet the requirement of finding 4 employers each week who are hiring at that time. If there were plentiful jobs there, these workers would not travel 1,500 miles to take seasonal jobs that require them to work 12 hours a day for 6-7 days a week. These workers often

rely on other seasonal work to make ends meet, but those jobs may not be immediately available when their food processing work in Wisconsin ends. If Wisconsin makes it difficult for them to qualify for UI benefits, they may be forced to go to other states to find work. Therefore, Wisconsin's agricultural food processing industry may not be able to find the workers that are required to successfully sustain its operations.



John Bauknecht
Corporate Attorney
United Migrant Opportunity Services/UMOS Inc.

11/15/2010
Date

From: Scott Bauman
Sent: Friday, September 14, 2018 12:33 PM
To: 'uilawchange@dwd.wisconsin.gov'
Cc: 'rep.allen@legis.wisconsin.gov'; 'rep.brandtjen@lrgis.wisconsin.gov'; 'rep.duchow@legis.wisconsin.gov'; 'rep.horlacher@legis.wisconsin.gov'; 'rep.hutton@legis.wisconsin.gov'; 'rep.knodl@legis.wisconsin.gov'; 'rep.kooyenga@legis.wisconsin.gov'; 'rep.kuglitsch@legis.wisconsin.gov'; 'rep.neylon@legis.wisconsin.gov'; 'rep.ottj@legis.wisconsin.gov'; 'rep.sanfelippo@legis.wisconsin.gov'; 'rep.steineke@legis.wisconsin.gov'; 'rpe.vos@legis.wisconsin.gov'
Subject: PUBLIC COMMENT

I believe Unemployment Insurance benefits should be cut off at 4-8 weeks MAX. Given the current environment of extreme industry worker shortages, any able bodied person has NO good reason for not securing a job. Recent headline: "Restaurant industry has nationwide labor shortage", trucking industry is hurting for drivers, the "trades" are begging for more workers. Another example, ABC of Wisconsin's apprenticeship program has record enrollment, highest number since launched in 1987. ABC offers apprentices paid on-the-job and in-class training for 3 to 5 years while working in their selected trade. A few weeks to get back on their feet with a new job is understandable for someone who is unemployed but the number of weeks needs to be substantially reduced! Scott Bauman, Waukesha, WI

BSIS
Building Service Industrial Supply
1710 S. 106th St.
Milwaukee, WI 53214
Ph: 414-453-5551
Cell: 414-322-1737
Fax: 414-453-1199

From: Tawana Cooper <trcooper60@gmail.com>
Sent: Friday, November 16, 2018 2:55 PM
To: DWD MB UI LAW CHANGE
Subject: E-Mail From Law Change Suggestions Web Page

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Blue Category

I do have some comments regarding the Department of Workforce Development and the way it handles its processes and clients.

I recently became unemployed and I'm just really somewhat disturbed by a few things:
1. The fact that there's a 21-day long wait for a claim to be assigned to an adjudicator is absolutely ridiculous! Do you not realize that there are people such as myself that live paycheck-to-paycheck and having that long of a wait is dangerous! That's why there's homeless people because you guys take your damn times. There's no reason for that! And in addition you have that one week waiting. Which is not right or Fair! What is wrong with you? You need to change both of those because it's not right I have not received payment yet. I am struggling waiting for my payment.

2. I remember years ago I believe it was around 2010 when the economy was in the toilet and that was the last time that I was on unemployment. At that time, because of the state of the economy even Wisconsin who normally enjoys a very low unemployment rate, had a very high unemployment rate at that time. So when I would call I would expect the long wait times, it made sense. However now when the unemployment rate is as low as it is why is it that you feel a need to assign people to certain call days? That is absolutely ridiculous! Your car volume cannot be that high, high to the degree that you have to do that! If it is maybe you need to hire more people! Isn't that ironic? I was not told about this stupid system that you have and I am in an attempt to bring some money in, I am currently working a part-time job. I have lots of things to take care of over the half hour lunch that I get including trying to eat. So when I finally get a chance to call you people and I get through I'm told that it's not my day to call?? What kind of nonsense is that and how do you get away with? That too needs to change.

4. What's with the requirement of people not being able to call in if they want to apply over the phone? I believe that most people in this day and age do welcome the opportunity to do things online when they can but there are other people who even if they can they would prefer to talk to somebody and I think it's wrong of you to make that a requirement! I couldn't believe what I had hearf-- I was just so flabbergasted and just so unbelievably annoyed at that! What is wrong? What are we coming to when you do not want to talk to other people? When you're forcing technology on people who don't want to have any part of it and don't give me the crap that it's 2018 and "get used to it" at or "get board with it", no! Stop that! When somebody is unemployed, when they become unemployed suddenly sometimes you just really need to talk to another human being who can answer their questions about what's going to happen in this process. That alone would alleviate a lot of other phone calls like the ones I had to make afterwards because I still have questions and that weren't answered when I applied online.

3. Lastly you need to choose better train your employees. Strong listening skills are key and some of your people are definitely lacking that. When I hear somebody robotically reciting information to me, as if they have it memorized and it's obvious that when a question is asked you throw them off their little script. I'm not saying that you would have given them an official script but they've created one of their own possibly and they are so stuck in it that they don't hear the person on the phone and what they're actually saying or asking. That is so annoying! Get some training for them where they are taught how to become good listeners, better yet just hire people who do have good listening skills and have some kind of pre evaluation test before you hire them to test their listening skills! That is the worst thing anybody in any customer service department can do is be a poor listener!
Also make sure they know the information and they're giving out accurate information. So overall what I'm saying is train your people better! If you've got to bring in a trainer, customer service trainer that can go over all those basic vital customer service skills, bring somebody in a couple times a year as a refresher because it's badly needed!

Overall as a department's I would give you a grade as a c minus. You treat people like crap because you can, because you're part of the government and you feel that you can tell people anything and make them do anything and that's not right!

You really need to do better. You need to put yourselves in the shoes of those of us who are relying on unemployment benefits to try to pay our bills. I'm hoping that you take my suggestions seriously and really consider them and come up with some acceptable Solutions. You really do need somebody from the outside to help you with this because you cannot police or monitor yourselves effectively. You are unable obviously it seems, to come up with policies that make things better for the people that you serve rather than only thinking about yourselves.

I do applaud you for making this opportunity available, do you have a voice so now that you have this from myself and other people what are you going to do with it? Please don't let it be just for show. It's a good start but it means nothing if you don't mean it, that you really want to make things better and take some action.

Thank you,

Tawana Cooper

WIB

THE LEADING VOICE
FOR WISCONSIN SMALL
AND INDEPENDENT BUSINESSES

November 16, 2018

Janell Knutson
Chair
Unemployment Insurance Advisory Council
P.O. Box 8942
Madison, Wisconsin 53708

Dear Ms. Knutson:

Wisconsin Independent Businesses (WIB) was formed to provide small, independent businesses with an effective voice in the state government decision-making process.

The vast majority of our members own and operate businesses that fit within the recognized definitions of a small business – fewer than 25 employees and/or annual gross revenues of less than $5 million. We represent local service sector providers, hometown manufacturers and Main Street retailers.

In consultation with our members, we have developed a set of core principles to guide our Unemployment Insurance (UI) advocacy efforts. They are:

- reduce the UI tax burden on small employers;
- increase accountability on the part of UI claimants;
- improve program integrity and reduce the incidence of UI fraud;
- provide clarity to the enforcement of existing UI laws and regulations; and
- transition UI claimants to gainful employment as quickly as possible.

We look forward to working with the Unemployment Insurance Advisory Council, the Department of Workforce Development and state lawmakers on meaningful reforms to Wisconsin's UI program which are consistent with these principles.

Thank you in advance for your consideration.

Respectfully,

Brian Dake
Legislator Director
Wisconsin Independent Businesses

From: Sarabi Fowlkes <sarabilove151@gmail.com>
Sent: Sunday, October 14, 2018 4:44 PM
To: DWD MB UI LAW CHANGE
Subject: Law Suggestion Changes :Penalties

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Blue Category

Hello,

Please take a look at the penalties imposed on individuals. Statue 108.24 (1) Any person who knowingly makes a false statement or representation to obtain any benefit payment under this chapter, either for himself or herself or for any other person, shall be fined not less than $100 nor more than $500 or imprisoned not more than 90 days or both....The penalties are way too harsh for the level of education society has with understanding unemployment law. Not too mention, the penalties do not make sense for people looking for work and taking low paying jobs (in particular part-time jobs with low pay) to make ends meet. How can you punish so harshly for people trying to find a way to make ends meet. The penalties are too harsh and too extreme for the amount of monies people actually receive when working low paying part-time jobs. This needs to be reviewed. Most of the people in this position are single moms or dads with good work ethic wanting to maintain a household. The alternative is welfare and/or more time to find a job and these options are disgusting for the State of Wisconsin. I know there is more brain power there to come up with different ways to make it easier on society out of work. More options, more programs....more intangible thinking.

For more insight, please feel free to contact me at the email listed below.

Sarabilove151@gmail.com.

From: robin franda <irenel7149@gmail.com>
Sent: Tuesday, November 13, 2018 10:06 AM
To: DWD MB UI LAW CHANGE
Subject: E-Mail From Law Change Suggestions Web Page

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Blue Category

My suggestions are:

get rid of work search for seasonal employment where the employee is a family member of the business and returns year after year or a seasonal area that an employee returns year after year.

do not take away the first week of unemployment - ONE: the employer pays in for every week, do they get a break? TWO: employees depend on their weekly paycheck especially living week to week on that paycheck

In other words - go back to the way it was - it worked....

thank you -
robin franda

From: sandy brown <sandrabrown76@hotmail.com>
Sent: Wednesday, November 07, 2018 10:58 AM
To: DWD MB UI LAW CHANGE
Subject: Public Hearing Comments

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Blue Category

My name is Gregg, I'm 70 years old and on social security, in order to supplement my ss I took a part time job, which just happens to be seasonal I live out in rural Holcombe where there is not many jobs to choose from. When employers hear that you only can take jobs for a short time they don't want to hire you also age has been a factor in decisions. I think it's wrong that unemployment has been so hard to get now as I depended on this to get me through the winter. This law must be changed back for seasonal workers. Please reconsider, so many of us are losing our unemployment because of this and that just is not fair.

From: Avis Henke <avishenke@att.net>
Sent: Thursday, November 15, 2018 11:13 AM
To: DWD MB UI LAW CHANGE
Subject: Unemployment Insurance Advisory Council

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Blue Category

Dear Janell Knutson, Chair;

After contacting an attorney and exhausting all the resources available to me, I stumbled across this notice on a job board. I have personally been negatively affected by the unemployment laws and have little recourse but to live on social security alone, until I find suitable employment.

I was fired from Goodwill in May 2018 due to excessive clerical errors on the cash register, and left full time employment there seeking unemployment benefits which I easily received. After several months I was diagnosed with developing cataracts which I reported to the unemployment office with the intent to be transparent in my intention to try to find part time work instead of full time. It was then my benefits terminated in spite of the fact that I was eligible to receive them until May 2019.

Currently, I am 66 years old, single and the only income I have is social security. This has put an unbelievable hardship on myself as I want to stay in my home after thirty years of living independently. There needs to be a change to the law so that people like myself are given the benefit until the proper transition is made. Please consider my interest in this matter and respond to me with the outcome of this hearing. I'm hoping that enough people who have been touched by this indiscretion will come forward and voice their complaints and their concerns will be addressed.

Thank you for listening,
Avis Henke
414-534-0930

From: Soraya Lewis <sorayajlewis1980@gmail.com>
Sent: Sunday, September 30, 2018 9:51 AM
To: DWD MB UI LAW CHANGE
Subject: Public Hearing Comments

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Blue Category

I just want to say I don't understand why it takes so long for you all to decide weather or not a person should receive their unemployment it takes you all 21 days or more to make a decision on weather or not a person should get their money that they work for and I just don't think that is fair and it crazy because it easy for you all to tell a person like me no I will not be receiving my unemployment not even taking into consideration that we have families and landlords that's not gonna want to hear well you gotta give me a month before I can pay my rent or tell my child well you gotta wait a month before I know if I could feed you. It's just not fair

From: mojoes69691@gmail.com
Sent: Wednesday, November 14, 2018 10:14 AM
To: DWD MB UI LAW CHANGE
Subject: Public Hearing Comments

Follow Up Flag: Follow up
Flag Status: Flagged

I would like the rules change for servers food servers cocktail waitresses because we need to add tips on that are not reflected in our pay that we get from her employer for our unemployment and it takes a long time to go through when we pay our taxes on it and we file it with our income tax return I think it should be added on with our unemployment benefits without having to do the waiting period of three weeks as long as we provide our income tax return with our unreported tip income or have a question on our initial claim application stating if there's an unreported tip income we have from the IRS that we need to report to you that would make it quite easier since I have to go 6 weeks usually without any income because I do live on my tips in order to get my unemployment
Sent from my Verizon LG Smartphone

From: Kyle Olson <kyleolson1977@gmail.com>
Sent: Tuesday, October 09, 2018 7:56 PM
To: DWD MB UI LAW CHANGE
Subject: Public Hearing Comments

Follow Up Flag: Follow up
Flag Status: Completed

One of my main concerns is that this system that was available to seasonal and or people whom get laid off during winter such as trades and or construction trades/business that do not work full time during winter months or summer months is a Hassel for us. I have worked for the same company for 10 years and make an excellent living but am laid off in summer months so I collect UI but it's such a Hassel because I have to search for jobs and work I'm never gonna take or do cause I already have a full-time Management position I have held for 10years now. The only difference between conventional 40 hour per week employment and my employment is I make my yearly salary in a 4 1/2 month period in which I work 1600-1900 hours. It's just a hastle with the current system and am sure it's to keep fraud and or lazy people working but there has to be a way that companies whom.gire full-time seasonal or such as construction equipment operators can file weekly under am easier format.

Thank You.

From: Tasha Olson <Tasha@olsontoon.com>
Sent: Thursday, November 15, 2018 10:51 AM
To: DWD MB UI LAW CHANGE
Subject: Public Hearing Comments

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Blue Category

Thank you for the opportunity to write this on behalf of our over 100 seasonal employees.
I would like to see the UI law change so that it helps the seasonal worker and makes it easier for them through the winter months.
Most of our employees stop full time work in December and start up again in April. Some of them just are outside the 12 week (with extension) period.
For the employees that are working doing snow removal at all hours of the day/night and want to come back to work for us in the spring shouldn't be having such a hard time collecting unemployment each year.
It's so hard with snow because it's hit and miss and you don't know if they will go more than 2 weeks with no hours. So to sign up as currently working doesn't always work for them either.
Somehow I'd like to just see something done for the seasonal employee that is trying.

I think great strides have been made with the unemployment to help get people out working and not let them just sit home and "milk the system".

Thanks for your time!

Sincerely,
Tasha

OLSON & TOON LANDSCAPING INC

Tasha Olson
Vice President- Owner

3570 Pioneer Road
Verona, Wisconsin 53593
(608) 827-9401
www.olsontoon.com
an equal opportunity/affirmative action employer

From: Bill Peterson <billpeterson@apostleislandsmarina.com>
Sent: Tuesday, November 06, 2018 9:31 AM
To: DWD MB UI LAW CHANGE
Subject: Changes to UE Law

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Blue Category

A few years ago the rules for seasonal workers changed, forcing them to look for work after 8 weeks. Up here in the far northern part of the state, we basically shut down for the winter. Requiring laid off workers to look for work during seasonal layoffs is a waste of time on both the workers and the employers in the area. There are no off season jobs that they qualify for. We at Apostle Islands Marina get phone calls and letters of laid off workers doing their required job search when our employees are laid off. Rules for seasonal workers need to change.

Bill Peterson 715-779-5661

From: Richard Peyton <dandspeyton@yahoo.com>
Sent: Friday, October 12, 2018 6:59 AM
To: Lonergan, Patrick K - DWD
Subject: Re: advisory council

I have tried to express my concerns with the unemployment department thru email but I do not get thru.the email comes back not acessable.so hear is my problem. I work in a seasonal job iam 77 years old. I am off 12 to 15 weeks a year and have had this same job for 20 years. why should I have to apply for jobs every week when nobody wants a 77 year old man for just a few weeks in the winter . why should I have to spend 4 hours in a meeting on how to find ajob. I have been at the unemployment department and they agree but say the rules are the rules. last year I had to contact the govenors office to get my checks because unemployment said I did not have my employer call and say I was going to be rehired, but my emplyered had called. please advise me how I can avoid this problem this year. I wanted to come to your informational sessions but could not get a schedule of where they are at. the paper had a email address which was not acessable. please help me as I need my checks every week to live on. thank you dick peyton

Hawks Quindel S.C.
ATTORNEYS AT LAW

MILWAUKEE OFFICE
222 E. Erie Street, Suite 210
P.O. Box 442
Milwaukee, WI 53201-0442
PH: 414-271-8650 FAX: 414-271-8442

TO: Janell Knutson, Chair: UILawChange@dwd.wisconsin.gov

CGR FROM: Attorney Claire G. Roehre, Hawks Quindel S.C.

DATE: November 15, 2018

RE: 2018 Unemployment Insurance Public Hearing

Employer's Absenteeism Policy vs. Wis. Stat. §108.04(5)(e)

Wis. Stat. §108.04(5)(e) reads: (5) Discharge for misconduct. An employee whose work is terminated by an employing unit for misconduct by the employee connected with the employee's work is ineligible to receive benefits..."misconduct" means one or more actions or conduct evincing such willful or wanton disregard of an employer's interests as is found in deliberate or disregard of standards of behavior...in addition, "misconduct" also includes:...(e) Absenteeism by an employee on more than 2 occasions within the 120-day person before the date of the employee's termination, unless otherwise specified by his or her employer in an employment manual of which the employee has acknowledged receipt with his or her signature, or excessive tardiness by an employee in violation of a policy of the employer that has been communicated to the employee, if the employee does not provide to his or her employer both notice and one or more valid reasons for the absenteeism or tardiness.

The Department's position is that the plain language of Wis. Stat. §108.04(5)(e) allows an employer to adopt its own absenteeism policy that differs from the actual policy as set forth therein. The most recent case ruling, ***Wis. Dep't of Workforce Dev. v. Wis. Labor & Indus. Review Comm'n***, 382 Wis. 2d 611 **("Beres")**, puts employees at a complete disadvantage. The Court in *Beres* adopted the position that any termination for the violation of that employer's absenteeism policy will therefore result in disqualification from receiving unemployment

compensation benefits *even if* the employer's policy is more restrictive than the actual policy as set forth in the statute. *Id.*

Essentially, the Department may now deny unemployment compensation to employees after a *single* absenteeism incident. This type of denial hardly rises to the level of misconduct and the Department should advocate for deletion of the statutory language that allows a provision in a handbook to override the statutory standard.

Winter Work Search Requirements

Previously, employees collecting unemployment insurance benefits who were expected to be recalled to work were exempt from certain requirements to conduct job searches. However, in 2015 the Department restored the waiver limits and employees who are collecting unemployment insurance benefits are required to conduct at least 4 weekly work search actions *unless* the department provides a waiver. Employees who are reasonably expected to be recalled and will be returning to employment within 8 weeks of an initial claim are eligible for a work search waiver. If granted, which has become increasingly difficult to receive, a waiver would allow employees to be paid unemployment without conducting the required work searches. This waiver period may be extended an additional 4 weeks with verification from the employer but may not exceed a total of 12 weeks.

To this day, the changes in the job search requirement continue to create hardships for both employers and employees. For the long-term seasonal employee it forces them to choose between not receiving any benefits during the duration of the layoff period or find a job and risk losing the ability to receive future UI benefits if they decide to initiate the quit to return to their seasonal employment. For the employer, this change increased the loss of skilled, dedicated, long-term seasonal employees. Employers invest a great deal in developing and training their employees. Losing employees because of the job search requirements forces employers to spend valuable time and resources to begin the training process all over again. We ask that the Department return to the original rule.

Heidi Roettger
1749 Windflower Street
River Falls, WI 54022
715-821-3015
roettger07@gmail.com

Janell Knutson, Chair
Unemployment Insurance Advisory Council
P.O. Box 8942
Madison, WI 53708

November 10, 2018

To Members of the Unemployment Insurance Advisory Council,

The following are suggestions for improvements to the unemployment process based on my own experience with unemployment in 2014 and 2018.

- The RES (Re-employment Services) meeting should take place earlier in the unemployment process, perhaps right away during the waiting week, and should also include the information from the Applying For Unemployment handout in addition to what is covered in the Re-employment Services handout.
- Unemployment should notify participants upfront that the RES counts for four work search activities and the other mandatory meeting counts for one job search activity.
- Another mandatory meeting should be required a bit later in the process after a person has had time on unemployment in order to address any new questions and discuss information again because it is a lot to absorb at one time for someone unfamiliar with the processes.
- More time should be spent explaining the benefits of working part-time while job searching, using the partial wage calculator, and how to know when to skip filing a claim so it doesn't cause a hold.
- Much time and money could be saved if a person could talk upfront about special circumstances with a person who can make a determination rather than someone who does not have that authority and just advises you to do something that is going to put your claim on hold until you can talk to that person.
- Job Center trainings teach us that "About 80% of jobs are never advertised - they are filled through word-of-mouth." Despite this, job searchers are not given credit for reaching out to employers to inquire about possible openings and to express interest in employment with the organization. They are only given credit for applying to posted jobs. This is counter-productive and should be changed. The position I received was gotten by sending a cold resume. I was initially told they were not looking for more help but they later reached back out to me and asked if I was interested in being considered for employment.
- The DWD Re-employment Services presentation and handout has information on why job seekers should volunteer:
    1) New networking contacts
    2) Feel better about yourself
    3) Fill gaps in resume
    4) Potential for paid positions

  However, credit is not given for time spent volunteering while unemployed. Even though, this is one of the top ways to get into nonprofit/human services type positions. This should be changed.
- Job seekers on unemployment are "required to complete at least 4 work search activities each week." Given that the options of what is considered valid work search activities are very limited, this often requires job seekers to apply to jobs that they have absolutely no interest in, or that do not meet their requirements for hours, wages, location, etc. in order to meet the requirements. This is a waste of their time, and the employer's, who is then forced to weed through even more resumes unnecessarily. It also

hurts job seekers who are legitimately interested in the position by potentially having their resume overlooked because the employer already has more than enough to go through.

- Participating in weekly professional networking groups is considered a valid work search only if their focus is re-employment. This should be changed. I attended monthly meetings for Pierce-St. Croix CARES whose purpose is "Creating a Responsive and Effective System For Promoting and Protecting Our Children's Wellbeing." While this does not involve a focus on re-employment, it allowed me to network with many of the nonprofits that I was hoping to gain re-employment with.
- More trainings than the current acceptable DWD trainings should be allowed. Unemployment recipients are not given credit for taking trainings that they identify themselves, even if it is more time consuming and valuable to them than an approved work search activity like taking five minutes to download a resume on an employment site. Instead, they are actually penalized, and put through a review because they are considered "unavailable for work" if they are taking trainings. Again, this is counter-productive to the desired end result and should be changed. A training I found and took on my own resulted in networking that led to the employment that I found.
- Many of the positions posted on job sites such as Indeed are actually not available. Numerous times I received responses to applications that I submitted to positions on these sites and was told that they were already filled, yet the posting remained on the site. This is an inaccurate representation of what is actually available to applicants. Employers should be required to have a posting removed from the job sites if the position has been filled, irregardless of if it was scheduled to run for a longer time.
- When audited, I was instructed not to input more than the required four work searches. I thought it was better to show that I was going above and beyond. If you don't want people inputting more, you should take away the option to add more than the four required actions.
- Not every job hunter has a cookie cutter situation. I feel more consideration should be taken for assisting people with the needs and obstacles that they are facing. Career changes are one such obstacle. Because I already have a bachelor's degree, I was unable to get assistance with training being that the field I was looking to switch to was lower paying. This is also why I was looking for options other than returning to school to pursue a master's degree and take on additional debt. Although I succeeded, it was more challenging on my own.
- In general, I feel wages are not on track for the cost of living, especially considering many households these days are single parent households. Many positions pay the same as what I was making 25 years ago before having a bachelor's degree. The fact that jobs are being posted with a salary of $36,000-$44,000 that require a master's degree is ludicrous when you consider the cost of education these days! And many positions don't provide benefits on top of that. It makes it very hard to consider taking these jobs. It is especially painful to consider that a person can work a legitimate 40 hour a week job, earning what is considered average pay, and still qualify for state benefits because they are considered to be living in poverty. That does not seem right at all!

I have touched on most of the items I feel unemployment could improve. Although I am not able to attend the meeting to further explain or support my points, I would be happy to discuss things further over the phone if there are any questions.

Thank you for your serious consideration of these points.

Sincerely,

Heidi Roettger

From: Christine Sprenger (Shander) <CSprenger@anewhealth.com>
Sent: Friday, October 19, 2018 12:31 PM
To: DWD MB UI LAW CHANGE
Subject: Suggestion

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Blue Category

Hi,

I have a suggestion for unemployment. We have a handful of applicants each year that go through the interview phase, accept a position, come and fill out all the new hire paperwork (taxes, direct deposit, I-9, etc.) and then don't show up to their first day of work or quit within their first two days. I don't know if there is a law protecting their data from being given back to UI, but I wonder if it would be in the interest of unemployment to create a place for employers to submit the names of people who go through the entire hiring process and then don't show up to work on day 1.

Christine Sprenger, M.Div., SHRM-CP
Director of Human Resources
ANEW Health Care Services, Inc.
7425 Harwood Avenue, Wauwatosa 53213
Office: 414-257-4347 | Fax: 414-479-2704
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Marshall Excavating & Septic Installation Inc.
15295 E. Forrester Rd
Lakewood, WI. 54138-9757
715-276-7143- Lic. # 249050
marshallexcseptic@gmail.com

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BUREAU OF
LEGAL AFFAIRS

10-16-2018

Unemployment Insurance Advisory Council,

Something has to be done with how our seasonal workers should be getting longer unemployment vs the 12 weeks and then have to start weekly job search.

Sometimes we are off due to the weather or road restriction until spring which sometimes lasts till May 1st.

Our seasonal employees are returning to our business which they have been at for several years!! Why take the chance with this job search stuff, which we could lose our valuable employee that we rely on returning. Now days' finding someone to work is very hard.

Also why do we pay taxes on the unemployment & then our employees have to pay taxes? isn't that called double dipping.

Another question why did they make a waiting period (1 week no check) for the employee to receive checks from unemployment.

Sincerely -
Nadene Stegall
Office Manager

From: Deborah Zillges <dzillges@sbcglobal.net>
Sent: Thursday, November 15, 2018 2:56 PM
To: DWD MB UI LAW.CHANGE
Subject: Attn: Janell Knutson, Chair Advisory Council
Attachments: Ltr UE 11-15-18.docx

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Blue Category

See letter attached. My apologies for getting this sent in so late. I know the hearings are already under way. Please take the suggestion into consideraion. See letter attached.

Thank you.

Deborah

Deborah Zillges
P O Box 241334
Milwaukee, WI 53224
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November 15, 2018

State of Wisconsin
DWD
Unemployment Insurance Advisory Council
P O Box 8942
Madison, WI 53708

Re: Suggestion for a Law Change

To Whom It May Concern:

I received a copy of the flyer concerning the hearings today. I am unable to attend.

I do have a suggestion concerning unemployment eligibility for those working part time. I feel that we should not be excluded because we are part time; there are conditions that create limits including in my case Social Security Disability. I am on Disability for a Reason. I was working a job that had mandatory unemployment/layoffs for one month in September and then during January, February and March of each year as a requirement of the job.

The job worked out well for me. For three years I worked part time without unemployment during the lay off periods and it was giving me an opportunity to get back on my feet financially, physically and emotionally. The yo yo created by my attempt to pursue more information about the options for unemployment in the recent September layoff; just burned me out. Too much to deal with all the time.

I'm hoping that your office will consider circumstances that prevent a person from working full time when considered for benefits. Especially when the job requires mandatory lay off.

I think we can have far greater success with consistency with income; reduce the stress of already trying to achieve getting back to work on a steady basis. I"ve since lost the job I had and I'm very disappointed after three years invested to have to feel like I failed.

Had I had not to go through all this red tape; maybe I wouldn't have gotten so burnt out that I couldn't keep up with the job. Your consideration is appreciated.

I'd be glad to share more information, if it would be helpful.

Thank you.

Sincerely,

Deborah Zillges

To: Unemployment Insurance Advisory Council
CC: Janell Knutson, Chair
From: Andy Rubsam
Date: January 17, 2019

Re: 2017 WI Act 370 (waivers from work search and registration requirements for certain unemployment insurance benefit claimants)

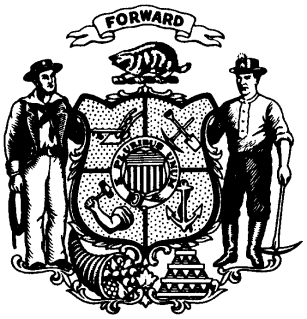
Unemployment insurance claimants are required to register for work and complete at least four work search actions each week, unless these requirements are waived.[1] Act 370 codifies in statute the current work search and work registration waivers in the Department's administrative rules. The Act allows the Department, by rule, to modify or eliminate a statutory work search or work registration waiver, or to create additional waivers, if doing so is necessary to comply with federal law or is specifically allowed under federal law.

Act 370 also adds to statute the requirement that claimants **must** verify their compliance with the work registration and work search requirements, unless waived. Previously, the Department's administrative rules provided that the Department **may** require claimants to certify their work search actions as part of the weekly unemployment claim (unless a work search waiver applies).[2] Before Act 370, the Department required claimants to certify their work search actions each week, unless a work search waiver applies.

Because Act 370 codified current administrative rules and Department practices, claimants and employers should not expect any changes to the unemployment insurance program under this Act.

[1] Wis. Stat. § 108.04(2)(a)2. and 3. Wis. Admin. Code ch. DWD 126 and 127.
[2] Wis. Admin. Code DWD § 127.04(1).

State of Wisconsin



Date of enactment: **December 14, 2018**
2017 Senate Bill 886 Date of publication*: **December 15, 2018**

2017 WISCONSIN ACT 370

AN ACT ***to repeal*** 49.79 (9) (d) 1., 601.83 (1) (b) and 601.85 (4); ***to renumber and amend*** 49.79 (9) (d) 2., 108.04 (2) (a) 3. (intro.), 108.04 (2) (a) 3. a. to c. and 108.04 (2) (b); ***to amend*** 20.445 (1) (b), 49.175 (2) (a), 49.175 (2) (c), 106.05 (2) (b) (intro.), 106.05 (3) (a), 106.13 (3m) (b) (intro.), 106.18, 106.26 (3) (c) (intro.), 106.272 (1), 106.273 (3) (a) (intro.), 106.273 (3) (b), 106.275 (1) (a), 108.04 (2) (a) (intro.), 108.04 (2) (a) 1., 108.04 (2) (a) 2., 108.04 (2) (bm), 601.83 (1) (a), 601.83 (1) (g) and 601.83 (1) (h); and ***to create*** 20.445 (1) (bz), 20.445 (1) (cg), 20.445 (1) (dg), 20.445 (1) (dr), 20.445 (1) (e), 20.445 (1) (fg), 20.445 (1) (fm), 20.940, 49.45 (2t), 49.45 (23b), 49.791, 108.04 (2) (b) 1. (intro.), 108.04 (2) (b) 2. to 6., 108.04 (2) (bb), 108.04 (2) (bd) and 601.83 (1) (i) of the statutes; **relating to:** federal government waivers and other requests for federal approval; public assistance programs; waivers from work search and registration requirements for certain unemployment insurance benefit claimants; granting rule–making authority; and making an appropriation.

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:

				2017–18	2018–19
20.445 Workforce development, department of					
(1)	WORKFORCE DEVELOPMENT				
(bz)	Career and technical education incentive grants	GPR	A	–0–	3,500,000
(cg)	Technical education equipment grants	GPR	A	–0–	500,000
(dg)	Teacher development program grants	GPR	A	–0–	–0–
(dr)	Apprenticeship programs	GPR	A	–0–	225,000
(e)	Local youth apprenticeship grants	GPR	A	–0–	2,233,700
(fg)	Employment transit assistance grants	GPR	A	–0–	464,800
(fm)	Youth summer jobs programs	GPR	A	–0–	422,400

SECTION 2. 20.445 (1) (b) of the statutes is amended to read:

20.445 **(1)** (b) *Workforce training; programs, grants, and services.* ~~As a continuing appropriation, the~~ The

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

amounts in the schedule for the ~~local youth apprenticeship grants under s. 106.13 (3m), youth summer jobs programs under s. 106.18, employment transit assistance grants under s. 106.26,~~ workforce training programs, grants, and services under s. 106.27 (1), (1g), (1j), and (1r)~~, teacher development program grants under s. 106.272, career and technical education incentive grants under s. 106.273 (3), technical education equipment grants under s. 106.275, and apprentice programs under subch. I of ch. 106~~.

SECTION 3. 20.445 (1) (bz) of the statutes is created to read:

20.445 **(1)** (bz) *Career and technical education incentive grants.* The amounts in the schedule for the career and technical education incentive grants under s. 106.273 (3).

SECTION 4. 20.445 (1) (cg) of the statutes is created to read:

20.445 **(1)** (cg) *Technical education equipment grants.* The amounts in the schedule for the technical education equipment grants under s. 106.275.

SECTION 5. 20.445 (1) (dg) of the statutes is created to read:

20.445 **(1)** (dg) *Teacher development program grants.* The amounts in the schedule for the teacher development program grants under s. 106.272.

SECTION 6. 20.445 (1) (dr) of the statutes is created to read:

20.445 **(1)** (dr) *Apprenticeship programs.* The amounts in the schedule for the apprentice programs under subch. I of ch. 106.

SECTION 7. 20.445 (1) (e) of the statutes is created to read:

20.445 **(1)** (e) *Local youth apprenticeship grants.* The amounts in the schedule for local youth apprenticeship grants under s. 106.13 (3m).

SECTION 8. 20.445 (1) (fg) of the statutes is created to read:

20.445 **(1)** (fg) *Employment transit assistance grants.* The amounts in the schedule for the employment transit assistance grants under s. 106.26.

SECTION 9. 20.445 (1) (fm) of the statutes is created to read:

20.445 **(1)** (fm) *Youth summer jobs programs.* The amounts in the schedule for youth summer jobs programs in 1st class cities under s. 106.18.

SECTION 10. 20.940 of the statutes is created to read:

20.940 Legislative authorization and oversight of requests to federal government. (1) DEFINITION. In this section, "department" means the department of health services.

(2) LEGISLATIVE AUTHORIZATION REQUIRED. The department may not submit a request to a federal agency for a waiver or a renewal, modification, withdrawal, suspension, or termination of a waiver of federal law or rules or for authorization to implement a pilot program or demonstration project unless legislation has been enacted specifically directing the submission of the request for a waiver, renewal, modification, withdrawal, suspension, termination, or authorization.

(3) LEGISLATIVE OVERSIGHT OF REQUESTS TO FEDERAL AGENCIES. If submission to a federal agency of a request for a waiver or renewal, modification, withdrawal, suspension, or termination of a waiver of federal law or rules or for authorization to implement a pilot program or demonstration project is required in legislation enacted on or after January 1, 2011, the department that is required to submit the request shall do all of the following that apply:

(a) When the request has not been submitted to the applicable federal agency, do all of the following:

1. Beginning 60 days after the enactment of the legislation requiring the request or March 1, 2019, whichever is later, submit to the joint committee on finance an implementation plan describing the department's plan for submitting the request including an expected timeline for submitting the request in which the submission date is no later than 90 days after submission of the implementation plan under this subdivision. If the department is unable to submit the request by the date specified in the implementation plan, the department may request from the joint committee on finance an extension not to exceed 90 days in a written submission that includes a report on the progress toward submission of the request and the reason an extension is needed. If the cochairpersons of the joint committee on finance do not notify the department within 14 working days after the date of the request for an extension under this subdivision that the committee has scheduled a meeting for the purpose of reviewing the extension request, the extension is considered granted. If, within 14 working days after the date of the request for an extension under this subdivision, the cochairpersons of the committee notify the department that the committee has scheduled a meeting for the purpose of reviewing the extension request, the department may consider the extension granted only upon approval by the committee. No more than 3 90–day extensions may be granted under this subdivision.

2. When the department has finalized its proposed request before submitting the request to the federal agency, submit the proposed request to the joint committee on finance for approval by the committee. The department may submit the proposed request to the appropriate federal agency only upon approval by the committee. The procedures under s. 13.10 do not apply to this subdivision.

(b) When the request has been submitted to the applicable federal agency but has not been denied or approved by that federal agency, do all of the following:

1. Contact no less frequently than biweekly the federal agency considering the request to continue negotiations in furtherance of approval of the request.

2. Beginning 30 days after the date of submission of the request to the federal agency or March 1, 2019, whichever is later, and monthly thereafter, submit to the joint committee on finance a progress report on negotiations with the federal agency toward approval of the request. The department shall request from the federal agency a description in writing of any portions of the request that the federal agency has stated will not be approved and reasons for not approving. The department shall include in its monthly report under this subdivision any written description from the federal agency regarding any portion of the request that the federal agency has stated will not be approved.

3. Beginning 90 days after the date of submission of the request to the federal agency, or March 1, 2019, whichever is later, and quarterly thereafter, make available to the joint committee on finance a representative of the department to brief the committee or provide testimony at a committee hearing at the committee's request. The department shall ensure that at least one representative of the department appearing in person before the committee has sufficient personal knowledge of the negotiations and progress toward approval of the request to respond to inquiries and requests for information by the committee.

4. Before final approval of the request by the federal agency, submit the proposed approval as negotiated with the federal agency to the joint committee on finance for approval or disapproval. The joint committee on finance may approve or disapprove but may not modify the proposed approval as negotiated with the federal agency. The department may agree to final approval of the request only upon approval by the joint committee on finance. If the joint committee on finance disapproves, the department shall withdraw the request or renegotiate the request with the federal agency and resubmit the proposed approval as renegotiated to the joint committee on finance for approval or disapproval. The procedures under s. 13.10 do not apply to this subdivision.

(c) When the request has been approved in whole or in part by the applicable federal agency but has not been fully implemented by the department, do all of the following:

1. Beginning 60 days after the date of approval of any portion of the request by the applicable federal agency, or March 1, 2019, whichever is later, submit to the joint committee on finance an implementation plan for the approved portions of the request including the expected timeline for final implementation of the request in accordance with the federal agency's approval. When the department submits an implementation plan that it considers its final implementation plan, the department may not implement the approved portions of the request until the joint committee on finance approves the final implementation plan. The procedures under s. 13.10 do not apply to this subdivision.

2. Beginning 30 days after the date of submission of the implementation plan and monthly thereafter, submit to the joint committee on finance a progress report on implementation of the approved portions of the request.

3. Beginning 90 days after the date of approval of any portion of the request by the federal agency, or March 1, 2019, whichever is later, and quarterly thereafter, make available to the joint committee on finance a representative of the department to brief the committee or provide testimony at a committee hearing at the committee's request. The department shall ensure that at least one representative of the department appearing in person before the committee has sufficient personal knowledge of the negotiations and progress toward implementation of the approval of the request to respond to inquiries and requests for information by the committee.

(4) REQUESTS FOR RENEWAL. No later than 9 months before the expiration of an approved waiver of federal law, pilot program, or demonstration project for which no legislation has been enacted specifying that the waiver, program, or project must be suspended or terminated, the department shall submit a written notice to the joint committee on finance of the expiration date and the department's intent regarding renewal. If the department intends to request substantive changes to the waiver, program, or project in its request to the federal agency, the department shall comply with the procedures under sub. (3). If the department intends to renew the waiver, program, or project without substantive changes, notwithstanding sub. (3) and before submitting the renewal request to the federal agency, the department shall submit a proposed renewal request to the joint committee on finance. If the cochairpersons of the joint committee on finance do not notify the department within 14 working days after the date of the submittal of the proposed renewal request under this subsection that the committee has scheduled a meeting for the purpose of reviewing the proposed renewal request, the department may submit the proposed renewal request. If, within 14 working days after the date of the submittal of the proposed renewal request under this subsection, the cochairpersons of the committee notify the department that the committee has scheduled a meeting for the purpose of reviewing the proposed renewal request, the department may submit the proposed renewal request only upon approval by the committee. After reviewing the proposed renewal request and determining any changes requested are substantive, the cochairpersons of the joint committee on finance may require the department to comply with any of the procedures under sub. (3). The procedures under s. 13.10 do not apply to this subsection.

(5) DELEGATION TO STANDING COMMITTEE. The cochairpersons of the joint committee on finance may delegate to a standing committee of the legislature of appropriate subject matter jurisdiction any of the responsibilities of the joint committee on finance under sub. (3).

The cochairpersons shall specify the terms of a delegation under this subsection and shall determine what constitutes an approval under a delegation under this subsection.

(6) FUNDING OR POSITION REDUCTION FOR NONCOMPLIANCE. If the joint committee on finance determines that the department has not made sufficient progress in submitting the request, negotiating with the federal agency, or implementing an approved portion of a request or is not acting in accordance with the enacted legislation requiring the submission of the request, the joint committee on finance may reduce from moneys allocated for state operations or administrative functions the department's appropriation or expenditure authority, whichever is applicable, or change the authorized level of full–time equivalent positions for the department related to the program for which the request is required to be submitted. The procedures under s. 13.10 do not apply to this subsection.

SECTION 11. 49.175 (2) (a) of the statutes is amended to read:

49.175 **(2)** (a) The department may not reallocate funds that are allocated under a paragraph under sub. (1) for any purpose specified in a paragraph under sub. (1) ~~if the secretary of administration approves the reallocation~~ unless the department first notifies the joint committee on finance in writing of the proposed reallocation. If the cochairpersons of the committee do not notify the department within 14 working days after the date of the department's notification that the committee has scheduled a meeting to review the proposed reallocation, the department may make the proposed reallocation. If, within 14 working days after the date of the department's notification, the cochairpersons of the committee notify the department that the committee has scheduled a meeting to review the proposed reallocation, the department may make the proposed reallocation only upon approval of the committee.

SECTION 12. 49.175 (2) (c) of the statutes is amended to read:

49.175 **(2)** (c) If the amounts of federal block grant moneys that are required to be credited to the appropriation accounts under s. 20.437 (2) (mc) and (md) are less than the amounts appropriated under s. 20.437 (2) (mc) and (md), the department shall submit a plan to the ~~secretary of administration~~ joint committee on finance for reducing the amounts of moneys allocated under sub. (1). ~~If the secretary of administration approves the plan, the amounts of moneys required to be allocated under sub. (1) may be reduced as proposed by the department and~~ If the cochairpersons of the committee do not notify the department within 14 working days after the date the department submits the plan that the committee has scheduled a meeting to review the proposed reduction plan, the department shall allocate the moneys as specified in the plan. If, within 14 working days after the date the department submits the plan, the cochairpersons of the committee notify the department that the committee has scheduled a meeting to review the proposed reduction plan, the department may allocate the moneys as specified in the plan only upon approval of the committee.

SECTION 13. 49.45 (2t) of the statutes is created to read:

49.45 **(2t)** SUBMISSION OF STATE PLAN AMENDMENTS AND PROVIDER PAYMENTS. (a) The department may not submit a Medical Assistance state plan amendment to the federal department of health and human services or implement a change to the reimbursement rate for or make a supplemental payment to a provider under the Medical Assistance program under this subchapter when the amendment, rate change, or payment has an expected fiscal effect of $7,500,000 or more from all revenue sources over a 12–month period following the implementation date of the amendment, rate change, or payment without submitting the proposed state plan amendment, rate change, or payment to the joint committee on finance for review. If the cochairpersons of the joint committee on finance do not notify the department within 14 working days after the date of the submittal under this paragraph that the committee has scheduled a meeting for the purpose of reviewing the proposed state plan amendment, rate change, or payment, the department may submit the state plan amendment, implement the rate change, or make the payment. If, within 14 working days after the date of the submittal under this paragraph by the department, the cochairpersons of the committee notify the department that the committee has scheduled a meeting for the purpose of reviewing the proposed state plan amendment, rate change, or payment, the department may submit the state plan amendment, implement the rate change, or make the payment only upon approval by the committee.

(c) Notwithstanding par. (a), the department is not required to submit a proposed change to a reimbursement rate for or supplemental payment to a provider under the Medical Assistance program under this subchapter to the joint committee on finance under par. (a) if explicit expenditure authority or funding for the specific change or supplemental payment is included in enacted legislation.

SECTION 14. 49.45 (23b) of the statutes is created to read:

49.45 **(23b)** CHILDLESS ADULTS DEMONSTRATION PROJECT REFORM WAIVER IMPLEMENTATION REQUIRED. (a) In this subsection:

1. "Community engagement activity" includes any of the following:

a. Work in exchange for money, goods, or services.

b. Unpaid work, such as volunteer work or community service.

c. Self–employment.

d. Participation in a work, job training, or job search program, as approved by the department, including the employment and training program under s. 49.79 (9), the Wisconsin Works program under ss. 49.141 to 49.161, programs under the federal workforce innovation and opportunity act, and tribal work programs.

2. "Exempt individual" means an individual who is any of the following:

a. Receiving temporary or permanent disability benefits from the federal or state government or a private source.

b. Determined by the department to be physically or mentally unable to work.

c. Verified as unable to work in a statement from a social worker or other health care professional.

d. Experiencing chronic homelessness.

e. Serving as primary caregiver for a person who cannot care for himself or herself.

f. Receiving or applying for unemployment compensation and complying with the work requirements for unemployment compensation.

g. Participating regularly in an alcohol or other drug abuse treatment or rehabilitation program, except for alcoholics anonymous or narcotics anonymous but including cultural interventions specific to American Indian tribes or bands.

h. Attending high school at least half time or enrolled in an institution of higher education, including vocational programs or high school equivalency programs, at least half time.

i. Exempt from work requirements under the food stamp program under s. 49.79.

(b) Beginning as soon as practicable after October 31, 2018, and ending no sooner than December 31, 2023, the department shall do all of the following with regard to the childless adults demonstration project under sub. (23):

1. Require in each month persons, except exempt individuals, who are eligible to receive Medical Assistance under sub. (23) and who are at least 19 years of age but have not attained the age of 50 to participate in, document, and report 80 hours per calendar month of community engagement activities. The department, after finding good cause, may grant a temporary exemption from the requirement under this subdivision upon request of a Medical Assistance recipient.

2. Require persons with incomes of at least 50 percent of the poverty line to pay premiums in accordance with par. (c) as a condition of eligibility for Medical Assistance under sub. (23).

3. Require as a condition of eligibility for Medical Assistance under sub. (23) completion of a health risk assessment.

4. Charge recipients of Medical Assistance under sub. (23) an $8 copayment for nonemergency use of the emergency department in accordance with 42 USC 1396o–1 (e) (1) and 42 CFR 447.54.

5. Disenroll from Medical Assistance under sub. (23) for 6 months any individual who does not pay a required premium under subd. 2. and any individual who is required under subd. 1. to participate in a community engagement activity but who does not participate for 48 aggregate months in the community engagement activity.

(c) 1. Persons who are eligible for the demonstration project under sub. (23) and who have monthly household income that exceeds 50 percent of the poverty line shall pay a monthly premium amount of $8 per household. A person who is eligible to receive an item or service furnished by an Indian health care provider is exempt from the premium requirement under this subdivision.

2. The department may disenroll under par. (b) 5. a person for nonpayment of a required monthly premium only at annual eligibility redetermination after providing notice and reasonable opportunity for the person to pay. If a person who is disenrolled for nonpayment of premiums pays all owed premiums or becomes exempt from payment of premiums, he or she may reenroll in Medical Assistance under sub. (23).

3. The department shall reduce the amount of the required household premium by up to half for a recipient of Medical Assistance under sub. (23) who does not engage in certain behaviors that increase health risks or who attests to actively managing certain unhealthy behaviors.

(d) The department shall comply with any other requirements not specified elsewhere in this subsection that are imposed by the federal department of health and human services in its approval effective October 31, 2018.

(e) Before December 31, 2023, the demonstration project requirements under this subsection may not be withdrawn and the department may not request from the federal government withdrawal, suspension, or termination of the demonstration project requirements under this subsection unless legislation has been enacted specifically allowing for the withdrawal, suspension, or termination.

(f) The department shall comply with all applicable timing in and requirements of s. 20.940.

SECTION 15. 49.79 (9) (d) 1. of the statutes is repealed.

SECTION 16. 49.79 (9) (d) 2. of the statutes is renumbered 49.79 (9) (d) and amended to read:

49.79 **(9)** (d) Subject to ~~the promulgation of rules under subd. 1.~~ s. 49.791, the department shall screen and, if indicated, test and treat participants in an employment and training program under this subsection who are able–bodied adults for illegal use of a controlled substance without a valid prescription for the controlled substance. Eligibility for an able–bodied adult to participate in an

employment and training program under this subsection is subject to s. 49.791.

SECTION 17. 49.791 of the statutes is created to read:

49.791 Substance abuse screening, testing, and treatment for employment and training programs. (1) DEFINITIONS. In this section:

(a) "Able–bodied adult" has the meaning given in s. 49.79 (1) (am).

(b) "Administering agency" means an administrative agency within the executive branch under ch. 15 or an entity that contracts with the state such as a single county consortia under s. 49.78 (1r), a multicounty consortia under s. 49.78 (1) (br), or a tribal governing body under s. 49.78 (1) (cr).

(c) "Confirmation test" means an analytical procedure used to quantify a specific controlled substance or its metabolite in a specimen through a test that is different in scientific principle from that of the initial test procedure and capable of providing the requisite specificity, sensitivity, and quantitative accuracy to positively confirm use of a controlled substance.

(d) "Controlled substance" has the meaning given in s. 49.79 (1) (b).

(e) "Employment and training program" means the food stamp employment and training program under s. 49.79 (9).

(f) "Food stamp program" has the meaning given in s. 49.79 (1) (c).

(g) "Medical review officer" means a licensed medical provider who is employed by or providing services under a contract to a qualified drug testing vendor, has knowledge of substance abuse disorders and laboratory testing procedures, and has the necessary training and experience to interpret and evaluate an individual's positive test result in relation to the individual's medical history and valid prescriptions.

(h) "Metabolite" means a chemical present in the body when a controlled substance is being broken down through natural metabolic processes that can be detected or measured as a positive indicator that a controlled substance associated with the metabolite has been used.

(i) "Prescription" means a current order for a controlled substance that indicates the specific regimen and duration of the order and that is transmitted electronically or in writing by an individual authorized in this state to order the controlled substance.

(j) "Qualified drug testing vendor" means a laboratory certified by the federal centers for medical and medicaid services under the federal Clinical Laboratory Improvement Amendments of 1988 to collect a specimen, carry out laboratory analysis of the specimen, store the specimen for a confirmation test if required, complete a confirmation test, and provide review by a medical review officer.

(k) "Screening" means completing a questionnaire specified by the department regarding an individual's current and prior use of any controlled substance.

(L) "Specimen" means tissue, fluid, or any other product of the human body required to be submitted by an individual for testing under this section.

(m) "Trauma–informed" means operating under the understanding of the science of adverse childhood experiences, toxic stress, trauma, and resilience, incorporating that understanding into organizational culture, policies, programs, and practices, and adhering to trauma–informed principles such as safety, trustworthiness and transparency, peer support, collaboration and mutuality, empowerment, and cultural, historical, and gender issue recognition.

(n) "Treatment" means any service that is conducted under clinical supervision to assist an individual through the process of recovery from controlled substance abuse, including screening, application of approved placement criteria, intake, orientation, assessment, individualized treatment planning, intervention, individual or group and family counseling, referral, discharge planning, after care or continuing care, record keeping, consultation with other professionals regarding treatment services, recovery and case management, crisis intervention, education, employment, and problem resolution in life skills functioning.

(o) "Treatment program" means a program certified by the department to provide treatment for controlled substance abuse as a medically managed inpatient service, a medically monitored treatment service, a day treatment service, an outpatient treatment service, a transitional residential treatment service, or a narcotic treatment service for opiate addiction or, as approved by the department, psychosocial rehabilitation services.

(p) "Treatment provider" means a provider of treatment for controlled substance abuse certified by the department, a provider certified under s. 440.88, or a licensed professional who meets criteria established by the department of safety and professional services.

(2) NOTICE OF REQUIREMENT. An administering agency shall provide information in a format approved by the department to any individual who expresses interest in or is referred to participate in an employment and training program to explain the requirement for participants in certain employment and training programs to undergo screening, testing, and treatment for abuse of controlled substances.

(3) ADMINISTERING AND EVALUATING A CONTROLLED SUBSTANCE ABUSE SCREENING QUESTIONNAIRE. (a) At the time of application and at annual redetermination for eligibility in the food stamp program, an administering agency shall administer to any able–bodied adult who is subject to the work requirement under s. 49.79 (10) (a)

and intends on meeting the work requirement through participation in the employment and training program a controlled substance abuse screening questionnaire approved by the department, which may include questions related to controlled substance abuse–related criminal background and controlled substance abuse. The administering agency shall determine whether answers to the controlled substance abuse screening questionnaire indicate possible use of a controlled substance without a valid prescription by the able–bodied adult.

(b) 1. An able–bodied adult who is administered a controlled substance abuse screening questionnaire under par. (a) shall answer all questions on the screening questionnaire, sign and date the questionnaire, and submit the questionnaire to the administering agency.

2. If the able–bodied adult indicates on the screening questionnaire submitted under subd. 1. the prescribed use of a controlled substance, the able–bodied adult shall provide evidence of the valid prescription to the administering agency.

(c) An able–bodied adult who is administered a controlled substance abuse screening questionnaire under par. (a) and who fails to comply with the requirements under par. (b) is not eligible to participate in the employment and training program, and the administering agency may not refer the individual to participate in the employment and training program. An able–bodied adult who is denied eligibility for participation in the employment and training program for failure to complete the requirements under par. (b) may complete the requirements under par. (b) at any time while eligible for the food stamp program.

(d) An able–bodied adult who completes a controlled substance abuse screening questionnaire under this subsection and whose answers to the screening questionnaire do not indicate possible abuse of a controlled substance has satisfied the requirements of this section and may participate in an employment and training program subject to this section.

(4) TESTING FOR USE OF A CONTROLLED SUBSTANCE REQUIRED. (a) *Individuals required to undergo testing; exception.* 1. Except as provided in subd. 2., an administering agency shall require an able–bodied adult whose answers on the controlled substance abuse screening questionnaire submitted under sub. (3) indicate possible use of a controlled substance without a prescription to undergo a test for the use of a controlled substance.

2. An administering agency may not require an able–bodied adult whose answers on the controlled substance abuse screening questionnaire submitted under sub. (3) indicate possible use of a controlled substance and who also indicates readiness to enter treatment for controlled substance abuse to undergo a test for the use of a controlled substance.

(b) *Nature of testing required.* A test for use of a controlled substance under this subsection consists of laboratory analysis of a specimen collected from an able–bodied adult described in par. (a) in a manner specified by the department that is consistent with guidelines from the federal department of health and human services by a qualified drug testing vendor or a provider approved by the department. The qualified drug testing vendor or other provider shall analyze the specimen for the presence of controlled substances specified by the department.

(c) *Contracts for testing services.* 1. The administering agency, subject to the department's approval, may contract with a trauma–informed qualified drug testing vendor to collect a specimen, carry out laboratory analysis of the specimen, store the specimen for confirmatory testing if required, complete confirmatory testing, provide review by a medical review officer, and document and report test results to the administering agency.

2. The department may require administering agencies to use a specific drug testing service procured through state contracting if the department determines that volume discounts or other preferential pricing terms may be achieved through a statewide contract.

(d) *Effects of refusal to submit to drug test.* 1. An able–bodied adult who is required to undergo a test for the use of a controlled substance under par. (a) but who refuses to submit to a drug test by doing any of the following is ineligible to participate in the employment and training program until the individual agrees to be tested for use of a controlled substance and test results have been reported:

a. Failing or refusing to appear for a scheduled drug test without good cause.

b. Failing or refusing to complete a form or release of information required for testing, including any form or release required by the qualified drug testing vendor to permit the vendor to report test results to the administering agency or department.

c. Failing or refusing to provide a valid specimen for testing.

d. Failing or refusing to provide verification of identity to the testing vendor.

2. The administering agency may direct an able–bodied adult who initially refused to submit to a drug test under subd. 1. and subsequently agrees to submit to a test to undergo drug testing on a random basis at any time within 10 business days after the able–bodied adult agrees to submit to a test.

(e) *Confirmation test required.* If an able–bodied adult tests positive for the use of a controlled substance, the qualified drug testing vendor shall perform a confirmation test using the same specimen obtained for the initial drug test. The vendor's medical review officer who is responsible for determining the presence of a controlled substance under par. (b) shall interpret all drug test results that are not negative.

(f) *Accepting test results from other programs.* For purposes of this section, an administering agency may use results of a drug test performed by the administering agency for the purpose of eligibility for another state program, including a work experience program under s. 49.162, 49.36, or 108.133, performed at the request of the department of corrections, or performed by other drug testing providers as approved by the department to determine whether to refer an able–bodied adult to treatment if all of the following apply:

1. The test results are provided directly to the administering agency.

2. The test results include tests for all controlled substances required by the department to be tested under this section.

3. The test occurred within 90 days before the results are provided to the administering agency.

(g) *Effect of a negative test.* An able–bodied adult who undergoes a test for use of a controlled substance under this subsection and tests negative for use of a controlled substance or who tests positive for use of a controlled substance but provides to the administering agency a prescription for each controlled substance for which the adult tests positive is not prohibited from participating in an employment and training program.

(h) *Effect of a positive test.* An able–bodied adult who undergoes a test for use of a controlled substance under this subsection, whose test results are positive, and who does not provide evidence of a prescription for the controlled substance, as determined by the qualified drug testing vendor's medical review officer, is required to participate in treatment under sub. (5) to participate in an employment and training program.

(5) PARTICIPATION IN TREATMENT REQUIRED. (a) *Individuals required to participate in treatment.* An able–bodied adult who is described under sub. (4) (a) or (h) is required to participate in trauma–informed treatment to be eligible to participate in an employment and training program.

(b) *Referral for treatment; monitoring.* The applicable administering agency shall provide to every able–bodied adult who is required to participate in treatment under par. (a) information about treatment programs and county–specific assessment and enrollment activities required for entry into treatment. The applicable administering agency shall monitor the able–bodied adult's progress in entering and completing treatment and the results of random testing for the use of a controlled substance carried out during and at the conclusion of treatment.

(c) *Evaluation and assessment.* A treatment provider shall conduct a trauma–informed substance abuse evaluation and assessment of each able–bodied adult and take any of the following actions, as appropriate, based on the evaluation and assessment:

1. If the treatment provider determines the able–bodied adult does not need treatment, notify the administering agency that the able–bodied adult does not need treatment.

2. If the treatment provider determines the able–bodied adult is in need of treatment, refer the individual to an appropriate treatment program to begin treatment and notify the administering agency of the referral and the expected start date and duration of treatment.

3. If a treatment provider determines the able–bodied adult is in need of treatment but is unable to refer the adult because there is a waiting list for enrollment, enter the able–bodied adult on the waiting list and notify the administering agency of the date the adult is expected to be enrolled.

(d) *Eligibility when treatment not needed or on waiting list.* 1. An able–bodied adult described in par. (c) 1. is determined to have satisfied the requirements of this section and is eligible under this section to participate in an employment and training program.

2. An able–bodied adult who is on a waiting list for enrollment in an appropriate treatment program under par. (c) 3. shall continue to take all necessary steps to continue seeking enrollment in the appropriate treatment program. The able–bodied adult is eligible under this section to participate in an employment and training program while on the waiting list if the adult is not eligible for immediate enrollment in another appropriate treatment program.

(e) *Satisfying treatment requirement through another program.* An administering agency shall accept as satisfying the requirements of this subsection participation in any treatment program. The able–bodied adult satisfying the requirements of this subsection by participating in another treatment program shall execute a release of information to allow the administering agency to obtain verification of successful participation in that treatment program.

(f) *Effects of refusal to submit to treatment.* An able–bodied adult who is required to participate in treatment under par. (a) but who refuses to participate in treatment by doing any of the following is ineligible to participate in the employment and training program until the individual agrees to participate in treatment while still eligible for the food stamp program:

1. Failing or refusing to complete a form or release required for treatment program administration, including a form or release required by the treatment provider in order to share information with the administering agency about the able–bodied adult's participation in treatment.

2. Failing or refusing to participate in a controlled substance test required by the treatment provider or the administering agency during the course of required treatment, including any random controlled substance testing

directed by the treatment provider or administering agency.

3. Failing or refusing to meet attendance or participation requirements established by the treatment provider.

4. Failing or refusing to complete a substance abuse assessment.

(g) *Completion of required treatment.* An able–bodied adult required under par. (a) to participate in treatment is considered to have successfully completed treatment if all applicable components identified under par. (c) are satisfied.

(h) *Work requirements while in treatment.* An able–bodied adult who is participating in an employment and training program is exempt from complying with requirements to work a specified number of hours under s. 49.79 (9) or (10) while participating in treatment under this subsection.

(6) EFFECT OF COMPLETION, WITHDRAWAL, OR TERMINATION FROM EMPLOYMENT AND TRAINING PROGRAM. An able–bodied adult who satisfies any of the following is no longer subject to s. 49.79 (9) (d) or this section:

(a) The able–bodied adult has completed or voluntarily withdrawn from participation in an employment and training program.

(b) The able–bodied adult is terminated from an employment and training program for reasons unrelated to this section.

(c) The able–bodied adult is no longer subject to the requirements of s. 49.79 (10).

(7) CONFIDENTIALITY OF RECORDS. Completed screening questionnaires, prescriptions, testing results, and treatment records relating to this section may not be disclosed except for purposes connected with the administration of an employment and training program or except when disclosure is otherwise authorized by law or by written consent from the individual who is the subject of the record. The department may establish administrative, physical, and technical safeguard procedures administering agencies must follow to assure compliance with state and federal laws related to public assistance program records, drug testing and treatment records, and medical records.

(8) APPEALS. An adverse decision under this section may be appealed under 7 CFR 273.15 and procedures established in rules promulgated by the division of hearings and appeals.

(9) PAYMENT OF COSTS FOR SCREENING, TESTING, AND TREATMENT. (a) The department shall pay for all costs related to screening able–bodied adults under sub. (3), including the costs of producing, administering, and reviewing screening questionnaires.

(b) The department shall pay for all costs related to testing able–bodied adults under sub. (4), including any costs related to contracting with qualified drug testing vendors under sub. (4) (c).

(c) The department shall pay costs for treatment under sub. (5) that are not covered by the Medical Assistance program under subch. IV of ch. 49 or other private insurance. Payments by the department under this paragraph shall be at rates no higher than the rates paid for comparable services under the Medical Assistance program.

SECTION 18. 106.05 (2) (b) (intro.) of the statutes is amended to read:

106.05 **(2)** (b) (intro.) Subject to par. (c) and sub. (3), from the appropriation under s. 20.445 (1) ~~(b)~~ (dr), the department may provide to an apprentice described in par. (a) 1. or the apprentice's sponsor a completion award equal to 25 percent of the cost of tuition incurred by the apprentice or sponsor or $1,000, whichever is less. If the department provides a completion award under this subsection, the department shall pay the award as follows:

SECTION 19. 106.05 (3) (a) of the statutes is amended to read:

106.05 **(3)** (a) If the amount of funds to be distributed under sub. (2) exceeds the amount available in the appropriation under s. 20.445 (1) ~~(b)~~ (dr) for completion awards under sub. (2), the department may reduce the reimbursement percentage or deny applications for completion awards that would otherwise qualify under sub. (2). In that case, the department shall determine the reimbursement percentage and eligibility on the basis of the dates on which apprentices and sponsors become eligible for completion awards.

SECTION 20. 106.13 (3m) (b) (intro.) of the statutes is amended to read:

106.13 **(3m)** (b) (intro.) From the appropriation under s. 20.445 (1) ~~(b)~~ (e), the department may award grants to applying local partnerships for the implementation and coordination of local youth apprenticeship programs. A local partnership shall include in its grant application the identity of each public agency, nonprofit organization, individual, and other person who is a participant in the local partnership, a plan to accomplish the implementation and coordination activities specified in subds. 1. to 6., and the identity of a fiscal agent who ~~shall be~~ is responsible for receiving, managing, and accounting for the grant moneys received under this paragraph. Subject to par. (c), a local partnership that is awarded a grant under this paragraph may use the grant moneys awarded for any of the following implementation and coordination activities:

SECTION 21. 106.18 of the statutes is amended to read:

106.18 Youth programs in 1st class cities. From the appropriation account under s. 20.445 (1) ~~(b)~~ (fm), the department shall implement and operate youth summer jobs programs in 1st class cities.

SECTION 22. 106.26 (3) (c) (intro.) of the statutes is amended to read:

106.26 **(3)** (c) (intro.) To make grants from the appropriation under s. 20.445 (1) ~~(b)~~ (fg) to eligible applicants to conduct projects or to match a federal grant awarded to an eligible applicant to conduct a project. Grants by the department are subject to all of the following requirements:

SECTION 23. 106.272 (1) of the statutes is amended to read:

106.272 **(1)** From the appropriation under s. 20.445 (1) ~~(b)~~ (dg), the department shall award grants to the school board of a school district or to the governing body of a private school, as defined under s. 115.001 (3d), or to a charter management organization that has partnered with an educator preparation program approved by the department of public instruction and headquartered in this state to design and implement a teacher development program.

SECTION 24. 106.273 (3) (a) (intro.) of the statutes is amended to read:

106.273 **(3)** (a) (intro.) From the appropriation under s. 20.445 (1) ~~(b)~~ (bz), the department shall ~~allocate not less than $3,500,000 in each fiscal year for incentive grants to school districts under this subsection. From that allocation, the department shall~~ annually award all of the following incentive grants to school districts:

SECTION 25. 106.273 (3) (b) of the statutes is amended to read:

106.273 **(3)** (b) If the amount ~~allocated under par. (a)~~ available in the appropriation under s. 20.445 (1) (bz) in any fiscal year is insufficient to pay the full amount per student under par. (a) 1m. and 2m., the department may prorate the amount of the department's payments among school districts eligible for incentive grants under this subsection.

SECTION 26. 106.275 (1) (a) of the statutes is amended to read:

106.275 **(1)** (a) From the appropriation under s. 20.445 (1) ~~(b)~~ (cg), the department ~~may allocate up to $500,000 in each fiscal year for technical education equipment grants to school districts under this section. From that allocation, the department~~ may award technical education equipment grants under this section in the amount of not more than $50,000 to school districts whose grant applications are approved under sub. (2) (b).

SECTION 27. 108.04 (2) (a) (intro.) of the statutes is amended to read:

108.04 **(2)** (a) (intro.) Except as provided in ~~par.~~ pars. (b) ~~and~~ to (bd), sub. (16) (am) and (b), and s. 108.062 (10) and (10m) and as otherwise expressly provided, a claimant is eligible for benefits as to any given week only if all of the following apply:

SECTION 28. 108.04 (2) (a) 1. of the statutes is amended to read:

108.04 **(2)** (a) 1. ~~Except as provided in s. 108.062 (10), the individual~~ The claimant is able to work and available for work during that week~~;~~.

SECTION 29. 108.04 (2) (a) 2. of the statutes is amended to read:

108.04 **(2)** (a) 2. ~~Except as provided in s. 108.062 (10m), as of that week, the individual~~ The claimant has registered for work ~~as directed~~ in the manner prescribed by the department~~;~~ by rule.

SECTION 30. 108.04 (2) (a) 3. (intro.) of the statutes is renumbered 108.04 (2) (a) 3. and amended to read:

108.04 **(2)** (a) 3. The ~~individual~~ claimant conducts a reasonable search for suitable work during that week~~, unless the search requirement is waived under par. (b) or s. 108.062 (10m)~~ and provides verification of that search to the department. The search for suitable work must include at least 4 actions per week that constitute a reasonable search as prescribed by rule of the department. In addition, the department may, by rule, require ~~an individual~~ a claimant to take more than 4 reasonable work search actions in any week. The department shall require a uniform number of reasonable work search actions for similar types of claimants. ~~This subdivision does not apply to an individual if the department determines that the individual is currently laid off from employment with an employer but there is a reasonable expectation of reemployment of the individual by that employer. In determining whether the individual has a reasonable expectation of reemployment by an employer, the department shall request the employer to verify the individual's employment status and shall also consider other factors, including:~~

SECTION 31. 108.04 (2) (a) 3. a. to c. of the statutes are renumbered 108.04 (2) (b) 1. a. to c. and amended to read:

108.04 **(2)** (b) 1. a. The history of layoffs and reemployments by the employer~~;~~.

b. Any information that the employer furnished to the ~~individual~~ claimant or the department concerning the ~~individual's~~ claimant's anticipated reemployment date~~; and~~.

c. Whether the ~~individual~~ claimant has recall rights with the employer under the terms of any applicable collective bargaining agreement~~; and~~.

SECTION 32. 108.04 (2) (b) of the statutes is renumbered 108.04 (2) (b) (intro.) and amended to read:

108.04 **(2)** (b) (intro.) The ~~requirements for registration for work and search for work shall be prescribed by rule of the department, and the~~ department ~~may by general rule~~ shall, except as provided under par. (bd), waive ~~these requirements~~ the registration for work requirement under ~~certain stated conditions.~~ par. (a) 2. if any of the following applies:

SECTION 33. 108.04 (2) (b) 1. (intro.) of the statutes is created to read:

108.04 **(2)** (b) 1. (intro.) The department determines that the claimant is currently laid off from employment with an employer but there is a reasonable expectation of reemployment of the claimant by that employer within a

period of 8 weeks, which may be extended up to an additional 4 weeks but not to exceed a total of 12 weeks. In determining whether the claimant has a reasonable expectation of reemployment by an employer, the department shall request the employer to verify the claimant's employment status and shall consider all of the following:

SECTION 34. 108.04 (2) (b) 2. to 6. of the statutes are created to read:

108.04 **(2)** (b) 2. The claimant has a reasonable expectation of starting employment with a new employer within 4 weeks and the employer has verified the anticipated starting date with the department. A waiver under this subdivision may not exceed 4 weeks.

3. The claimant has been laid off from work and routinely obtains work through a labor union referral and all of the following apply:

a. The union is the primary method used by workers to obtain employment in the claimant's customary occupation.

b. The union maintains records of unemployed members and the referral activities of these members, and the union allows the department to inspect those records.

c. The union provides, upon the request of the department, any information regarding a claimant's registration with the union or any referrals for employment it has made to the claimant.

d. Prospective employers of the claimant seldom place orders with the public employment office for jobs requiring occupational skills similar to those of the claimant.

e. The claimant is registered for work with a union and satisfies the requirements of the union relating to job referral procedures, and maintains membership in good standing with the union.

f. The union enters into an agreement with the department regarding the requirements of this subdivision.

4. The claimant is summoned to serve as a prospective or impaneled juror.

5. The requirements are waived under s. 108.04 (16) or 108.062 (10m), or the claimant is enrolled in and satisfactorily participating in a self–employment assistance program or another program established under state or federal law and the program provides that claimants who participate in the program shall be waived by the department from work registration requirements.

6. The claimant is unable to complete registration due to circumstances that the department determines are beyond the claimant's control.

SECTION 35. 108.04 (2) (bb) of the statutes is created to read:

108.04 **(2)** (bb) The department shall, except as provided under par. (bd), waive the work search requirement under par. (a) 3. if any of the following applies:

1. A reason specified in par. (b) 1., 2., 3., or 4.

2. The claimant performs any work for his or her customary employer.

3. The requirements are waived under s. 108.04 (16) or 108.062 (10m), or the claimant is enrolled in and satisfactorily participating in a self–employment assistance program or another program established under state or federal law and the program provides that claimants who participate in the program shall be waived by the department from work search requirements.

4. The claimant has not complied with the requirement because of an error made by personnel of the department.

5. The claimant's most recent employer failed to post appropriate notice posters as to claiming unemployment benefits as required by the department by rule, and the claimant was not aware of the work search requirement.

6. The claimant has been referred for reemployment services, is participating in such services, or is not participating in such services, but has good cause for failure to participate. For purposes of this subdivision, a claimant has good cause if he or she is unable to participate due to any of the following:

a. A reason specified in subd. 3. or par. (b) 4.

b. The claimant is employed.

c. The claimant is attending a job interview.

d. Circumstances that the department determines are beyond the claimant's control.

SECTION 36. 108.04 (2) (bd) of the statutes is created to read:

108.04 **(2)** (bd) The department may, by rule, do any of the following if doing so is necessary to comply with a requirement under federal law or is specifically allowed under federal law:

1. Modify the availability of any waiver under par. (b) or (bb).

2. Establish additional waivers from the requirements under par. (a) 2. and 3.

SECTION 37. 108.04 (2) (bm) of the statutes is amended to read:

108.04 **(2)** (bm) A claimant is ineligible to receive benefits for any week for which there is a determination that the claimant failed to ~~conduct a reasonable search for suitable~~ comply with the registration for work and work ~~and~~ search requirements under par. (a) 2. or 3. or failed to provide verification to the department that the claimant complied with those requirements, unless the department has ~~not~~ waived ~~the search requirement~~ those requirements under par. (b), (bb), or (bd) or s. 108.062 (10m). If the department has paid benefits to a claimant for any such week, the department may recover the overpayment under s. 108.22.

SECTION 38. 601.83 (1) (a) of the statutes, as created by 2017 Wisconsin Act 138, is amended to read:

601.83 **(1)** (a) ~~Subject to par. (b), the~~ The commissioner shall administer a state–based reinsurance pro-

gram known as the healthcare stability plan in accordance with the specific terms and conditions approved by the federal department of health and human services dated July 29, 2018. Before December 31, 2023, the commissioner may not request from the federal department of health and human services a modification, suspension, withdrawal, or termination of the waiver under 42 USC 18052 under which the healthcare stability plan under this subchapter operates unless legislation has been enacted specifically directing the modification, suspension, withdrawal, or termination. Before December 31, 2023, the commissioner may request renewal, without substantive change, of the waiver under 42 USC 18052 under which the health care stability plan operates in accordance with s. 20.940 (4) unless legislation has been enacted that is contrary to such a renewal request. The commissioner shall comply with applicable timing in and requirements of s. 20.940.

SECTION 39. 601.83 (1) (b) of the statutes, as created by 2017 Wisconsin Act 138, is repealed.

SECTION 40. 601.83 (1) (g) of the statutes, as created by 2017 Wisconsin Act 138, is amended to read:

601.83 **(1)** (g) The commissioner may promulgate any rules necessary to implement the healthcare stability plan under this section, except that any rules promulgated under this paragraph shall seek to maximize federal funding for the healthcare stability plan and shall comply with this section and with the approval by the federal department of health and human services dated July 29, 2018. The commissioner may promulgate rules necessary to implement this section as emergency rules under s. 227.24. Notwithstanding s. 227.24 (1) (a) and (3), the commissioner is not required to provide evidence that promulgating a rule under this paragraph as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and is not required to provide a finding of emergency for a rule promulgated under this paragraph. An emergency rule promulgated by the commissioner under this paragraph before January 1, 2019, remains in effect until it is superseded by a subsequent permanent rule.

SECTION 41. 601.83 (1) (h) of the statutes, as created by 2017 Wisconsin Act 138, is amended to read:

601.83 **(1)** (h) In 2019 and in each subsequent year, the commissioner may expend no more than $200,000,000 from all revenue sources for the healthcare stability plan under this section, unless the joint committee on finance under s. 13.10 has increased this amount upon request by the commissioner. The commissioner shall ensure that sufficient funds are available for the healthcare stability plan under this section to operate as described in the approval of the federal department of health and human services dated July 29, 2018.

SECTION 42. 601.83 (1) (i) of the statutes is created to read:

601.83 **(1)** (i) The commissioner shall complete and submit any reports, provide any information, and participate in any oversight activities required by the federal department of health and human services to implement and maintain the healthcare stability plan under this subchapter.

SECTION 43. 601.85 (4) of the statutes, as created by 2017 Wisconsin Act 138, is repealed.

SECTION 44. Nonstatutory provisions.

(1) REQUESTS FOR APPROPRIATION TRANSFERS. During the 2018–19 fiscal year, the department of workforce development may submit to the joint committee on finance one or more requests to transfer moneys from the appropriation account under s. 20.445 (1) (b) to the appropriation accounts under s. 20.445 (1) (dg) and (e) for the purpose of funding the grant programs under ss. 106.13 (3m) and 106.272. If the committee approves a request in whole or in part, the committee may transfer moneys without making any of the findings required under s. 13.101 (4).

(1m) WORKFORCE DEVELOPMENT; WORKFORCE TRAINING APPROPRIATION. Notwithstanding s. 20.001 (3) (a), any moneys encumbered under the appropriation account under s. 20.445 (1) (b) before the effective date of this subsection shall not lapse and may be expended pursuant to the terms of the encumbrance.

(2) REQUIREMENTS FOR EXISTING CHILDLESS ADULTS MEDICAL ASSISTANCE RECIPIENTS. Notwithstanding the requirement in s. 49.45 (23b) to begin as soon as practicable after October 31, 2018, all of the following apply to the demonstration project under s. 49.45 (23) and (23b):

(a) The 48–month eligibility period for current recipients of Medical Assistance under s. 49.45 (23) who are not participating in an activity that qualifies as a community engagement activity begins no sooner than October 31, 2019, or no sooner than the first of the month when the eligibility of a recipient has been established, if all beneficiaries who will be subject to the community engagement activity requirement have been adequately notified.

(b) The requirement for current recipients of Medical Assistance under s. 49.45 (23) to complete a health risk assessment applies no sooner than October 31, 2019.

(3) IMPLEMENTATION OF CHILDLESS ADULT DEMONSTRATION PROJECT.

(a) The department of health services shall implement the childless adults demonstration project reforms in accordance with s. 49.45 (23b) by no later than November 1, 2019. If the department of health services is unable to fully implement the project reforms by November 1, 2019, the department may request from the joint committee on finance an extension not to exceed 90 days in a written submission that includes a report on the progress toward implementation of the project and the reason an extension is needed. If the cochairpersons of

the joint committee on finance do not notify the department of health services within 14 working days after the date of the request for an extension under this paragraph that the committee has scheduled a meeting for the purpose of reviewing the extension request, the extension is considered granted. If, within 14 working days after the date of the request for an extension under this paragraph, the cochairpersons of the committee notify the department of health services that the committee has scheduled a meeting for the purpose of reviewing the extension request, the department may consider the extension granted only upon approval by the committee. The department of health services may request additional extensions under the procedure under this paragraph.

(b) If the joint committee on finance determines that the department of health services has not complied with the deadline under par. (a), has not made sufficient progress in implementing s. 49.45 (23b), or has not complied with s. 20.940 (3) (c) in relation to the implementation of s. 49.45 (23b), the joint committee on finance may reduce from moneys allocated for state operations or administrative functions the department of health services's appropriation or expenditure authority, whichever is applicable, or change the authorized level of full–time equivalent positions for the department of health services related to the Medical Assistance program. The procedures under s. 13.10 do not apply to this paragraph.

(4) WISCONSIN HEALTHCARE STABILITY PLAN 2019 PAYMENT PARAMETERS. Notwithstanding 2017 Wisconsin Act 138, SECTION 11 (1), for the 2019 benefit year, the commissioner of insurance shall set as payment parameters for the healthcare stability plan under subch. VII of ch. 601 an attachment point of $50,000, a coinsurance rate of 50 percent, and a reinsurance cap of $250,000. The commissioner of insurance may not adjust the payment parameters for the 2019 benefit year.

(5) DRUG TESTING AND TREATMENT IMPLEMENTATION DEADLINE. The department of health services shall implement the substance abuse screening, testing, and treatment under s. 49.791 by no later than October 1, 2019, and before implementation shall comply with s. 20.940 (3) (c) as if the screening, testing, and treatment under s. 49.791 is a request approved on the effective date of this subsection.

SECTION 45. Fiscal changes.

(1) WORKFORCE DEVELOPMENT; WORKFORCE TRAINING APPROPRIATION DECREASE. In the schedule under s. 20.005 (3) for the appropriation to the department of workforce development under s. 20.445 (1) (b), the dollar amount for fiscal year 2018–19 is decreased by $7,345,900.

SECTION 46. Effective dates. This act takes effect on the day after publication, except as follows:

(1) WISCONSIN HEALTHCARE STABILITY PLAN. The treatment of s. 601.85 (4) takes effect on December 31, 2018.

Unemployment Insurance Advisory Council
Tentative Schedule
2019

January 17, 2019	Scheduled Meeting of UIAC Discuss Public Hearing (Nov. 15, 2018) Comments
February 21, 2019	Scheduled Meeting of UIAC Introduce Department Law Change Proposals
March 21, 2019	Scheduled Meeting of UIAC Discuss Department Proposals
April 18, 2019	Scheduled Meeting of UIAC Discuss Department Proposals Exchange of Labor & Management Law Change Proposals
May 16, 2019	Scheduled Meeting of UIAC Discuss Department Proposals Discuss Labor & Management Proposals
June 20, 2019	Scheduled Meeting of UIAC Discuss Department Proposals Discuss Labor & Management Proposals
July 18, 2019	Scheduled Meeting of UIAC Discussion and Agreement on Law Changes for Agreed Upon Bill
August 15, 2019	Scheduled Meeting of UIAC Continue Discussion on Law Change Proposals for Agreed Upon Bill
September 19, 2019	**Scheduled Meeting of UIAC** **Review and Approval of Department Draft of Agreed Upon Bill**
October 17, 2019	Scheduled Meeting of UIAC Review and Approval of LRB Draft of Agreed Upon Bill
November 21, 2019	**Scheduled Meeting of UIAC** **Final Review and Approval of LRB Draft of Agreed Upon Bill**
Dec. 2019/Jan. 2020	**Agreed Upon Bill Sent to the Legislature for Introduction in the Spring 2020 Legislative Session**