

ADMINISTRATIVE RULES – FISCAL ESTIMATE

1. Fiscal Estimate Version

Original Updated Corrected

2. Administrative Rule Chapter Title and Number

DWD s. 126, 127, and 129, Unemployment Insurance (UI) requirements for claimants

3. Subject

Amendments to UI Work Registration and Work Search Requirements and Claim Benefit Procedures

4. State Fiscal Effect:

<input type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No May be possible to absorb within agency's budget.
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Decrease Costs

5. Fund Sources Affected:

GPR FED PRO PRS SEG SEG-S

6. Affected Ch. 20, Stats. Appropriations:

20.115(1)(q)

7. Local Government Fiscal Effect:

<input type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Revenues	<input type="checkbox"/> Increase Costs
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Revenues	<input type="checkbox"/> Decrease Costs

8. Local Government Units Affected:

Towns Villages Cities Counties School Districts WTCS Districts Others:

9. Private Sector Fiscal Effect (small businesses only):

<input type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Revenues	<input type="checkbox"/> Increase Costs
	<input type="checkbox"/> Decrease Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No May have significant economic impact on a substantial number of small businesses
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Yes <input type="checkbox"/> No May have significant economic impact on a substantial number of small businesses	<input type="checkbox"/> Decrease Costs

10. Types of Small Businesses Affected:

None except indirectly. This rule will have a generally positive impact on all businesses including small businesses. First, the rule is likely to result in more unemployment insurance claimants finding employment faster. As a result, unemployed individuals will be collecting unemployment insurance benefits for a shorter duration and there will be fewer charges to employers' unemployment insurance accounts. This will result in employers having to pay lower amounts of unemployment tax. Second, more unemployed individuals will be required to seek employment and those unemployed individuals who already were required to seek employment will likely be assisted better by DWD in applying for appropriate jobs. As a result, there are likely to be more and better job applications for employers to review as more employers seek to hire individuals.

11. Fiscal Analysis Summary

The Department is unable to quantify a Unemployment Insurance Trust Fund fiscal impact, but the impact is expected to be positive. Based on case studies and projecting results to the overall population given these waivers when a new claim was in 2012, changing the expectation of recall waiver and having to work 20 hours waiver could result in 559,544 additional weeks subject to a work search annually.

More stringent work search and work registration waiver requirements will require more claimants have to

search for work (which is now at least 4 work search actions per week). There is a general assumption that this may lead to quicker re-employment and less claims being filed. Based on 2012 data, the current work search violation detection rate is approximately .26%. More claimants required to search for work will result in more weeks denied due to work search violations. At this time we are unable to quantify how these more stringent waiver requirements and other work search/registration administrative rule changes may ultimately affect the UI Trust Fund, given future modernization efforts. However, it is expected to be a positive impact.

The proposed administrative rule changes are estimated to incur a one-time IT cost of approximately 5,359 hours or \$407,284 and an administrative one-time cost of approximately 668 hours or \$26,212 for a total one-time cost of approximately 6,027 hours or \$433,496. No GPR funding is requested. These costs will be absorbed by current federal grants.

The rule amendments will make the rules consistent with the newly enacted legislation and update and modernize existing requirements with respect to the claim benefit filing procedure and work search and work registration requirements. These rule changes will strengthen the requirements for unemployed individuals to actively seek employment and thereby improve their employment prospects and align the job search requirements with the underlying goal of the UI program. The amendments accomplish this by:

- Requiring unemployment insurance claimants to provide information to DWD to facilitate their reemployment efforts;
- Updating what actions by claimants will be considered to constitute a reasonable search for suitable work;
- Decreasing the circumstances in which DWD will waive the requirement that claimants to receive unemployment insurance benefits must perform work search actions;
- Narrowing and fine-tuning the remaining circumstances under which DWD will waive the claimants' work search requirement; and,
- Enhancing the procedures required to file claims for benefits in order to facilitate the ability of DWD to assist claimants find employment.

12. Long-Range Fiscal Implications

These rule amendments will have a positive economic impact. The increase in the requirement for work search activities will likely decrease charges to the Unemployment Insurance Trust Fund due to individuals obtaining employment sooner or being disqualified from receiving unemployment insurance benefits for not actively seeking work. This will have a positive economic impact on employers, due to fewer charges to employers' UI accounts. In addition, claimants who are regularly collecting a paycheck rather than an unemployment compensation check will contribute more economically within their community.

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