

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

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| <p>1. Type of Estimate and Analysis<br/><input checked="" type="checkbox"/> Original   <input type="checkbox"/> Updated   <input type="checkbox"/> Corrected</p>  | <p>2. Date<br/>May 5, 2020</p>                                 |
| <p>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable)<br/>Chapters DWD 127 - Work Search and Reemployment Services and DWD 128 - Ability To Work And Availability For Work</p>   |  |
| <p>4. Subject<br/>Amending provisions related to available for work, work available, and work search for unemployment insurance benefit claimants.</p>  |  |
| <p>5. Fund Sources Affected<br/><input type="checkbox"/> GPR   <input checked="" type="checkbox"/> FED   <input type="checkbox"/> PRO   <input type="checkbox"/> PRS   <input type="checkbox"/> SEG   <input type="checkbox"/> SEG-S</p>  | <p>6. Chapter 20, Stats. Appropriations Affected<br/>None.</p> |
| <p>7. Fiscal Effect of Implementing the Rule<br/><input type="checkbox"/> No Fiscal Effect   <input type="checkbox"/> Increase Existing Revenues   <input type="checkbox"/> Increase Costs   <input type="checkbox"/> Decrease Costs<br/><input checked="" type="checkbox"/> Indeterminate   <input type="checkbox"/> Decrease Existing Revenues   <input checked="" type="checkbox"/> Could Absorb Within Agency's Budget</p>  |  |
| <p>8. The Rule Will Impact the Following (Check All That Apply)<br/><input checked="" type="checkbox"/> State's Economy   <input type="checkbox"/> Specific Businesses/Sectors<br/><input checked="" type="checkbox"/> Local Government Units   <input type="checkbox"/> Public Utility Rate Payers<br/><input checked="" type="checkbox"/> Small Businesses (if checked, complete Attachment A)</p>  |  |
| <p>9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1).<br/>\$unknown</p>   |  |
| <p>10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)?<br/><input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No</p>  |  |
| <p>11. Policy Problem Addressed by the Rule<br/>This emergency rule provides, on a temporary basis, that a public health emergency constitutes four work search actions for each week that a claimant files an unemployment insurance claim. This rule addresses the policy that unemployed people are not required to search for work during a pandemic, when they are being ordered to stay at home.<br/><br/>This emergency rule also provides criteria for determining when unemployment insurance claimants are available for work during the COVID-19 pandemic. The rule also states that no work is actually available for employees affected by COVID-19 for the purposes of determining whether unemployment insurance claimants missed work available under section 108.04 (1) (a) to (bm), Stats. This rule addresses the policy that, during the COVID-19 pandemic, work is not available for claimants who are instructed to stay at home.</p> |  |
| <p>12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments.<br/>None.</p>   |  |
| <p>13. Identify the Local Governmental Units that Participated in the Development of this EIA.<br/>None.</p>  |  |
| <p>14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)<br/>The impact on the State's economy as a whole is that more unemployment insurance benefits, including federally funded benefits, are expected to be paid to claimants under this rule, which will help claimants pay their bills during the pandemic. This will also help businesses during the pandemic because more money will be available in the community to spend at the businesses that are open. Also, it will encourage people to remain in their communities instead of seeking to relocate to find work. This will ensure a labor pool will be available for business when the pandemic ends.</p>   |  |

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

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

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16. Long Range Implications of Implementing the Rule

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

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17. Compare With Approaches Being Used by Federal Government

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

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

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

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| 19. Contact Name | 20. Contact Phone Number |
| Janell Knutson   | 608-266-1639             |

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### ATTACHMENT A

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

The proposed rule may affect small businesses, as defined in s. 227.114 (1), Stats., if employees of small businesses are found to be eligible for unemployment benefits if they would not have been previously eligible under the law in effect before this rule took effect. However, 2019 Wisconsin Act 185 provides that certain benefit charges related to the public health emergency declared on March 12, 2020 will not be charged to employers.

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

Under 2019 Wisconsin Act 185, unemployment insurance benefit claims related to the public health emergency declared on March 12, 2020 will be charged to the balancing account of the Trust Fund for employers subject to contribution financing. The benefits will be charged as follows: 50% of the benefits will be charged to the appropriation in s. 20.445 (1) (gd), Stats., for employers subject to reimbursement financing; the remaining 50% will be charged to the federal government under the federal Coronavirus Aid, Relief and Economic Security (CARES) Act. The charging relief for employers under state law is effective for state unemployment insurance benefits paid for the period of March 15, 2020 through December 26, 2020.

If a claim filed during the effective period of this proposed rule is not related to the public health emergency declared on March 12, 2020, businesses, including small businesses, will incur charges to their account in the Trust Fund (for contribution employers) or will be required to reimburse the Trust Fund for the benefits (for reimbursable employers). Some of those claims might have been denied but for this proposed rule if, for example, the claimants had not conducted four work search actions in each week (if that requirement was not waived). Also, some of those claims might have been denied if the claimants missed work available. It is not possible to quantify the effect of this proposed rule on small business due to this variety of factors.

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

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

None.

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

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

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5. Describe the Rule's Enforcement Provisions

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

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

- Yes     No
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