

COSPONSORSHIP MEMORANDUM

To: All Wisconsin Legislators

From: State Representative O'Connor
State Senator Dan Feyen

Date: 4/5/23

RE: Co-sponsorship of LRB 2493: Various changes to the unemployment insurance law and authorizing the secretary of administration to transfer employees from any executive branch agency to the Department of Workforce Development for certain purposes.

SHORT DEADLINE: 4/7/23 12:00 p.m.

The Unemployed Insurance Fund is a critical piece of infrastructure the State administers for critical times of need. The availability, efficiency, and integrity of the system are paramount.

During the pandemic period, Wisconsin's UI system was challenged and found to be inadequate to meet the needs of those parties who were in need during that time. Individuals that lost their jobs went months without receiving their benefits, while many ineligible individuals took advantage of the crisis and received benefits fraudulently.

It is incumbent on the legislature to recognize the shortcomings of the current UI administrative design and take action to better equip the DWD to protect the integrity of our unemployment program for the maximum benefit of qualified participants, employers, and taxpayers.

LRB 2493 would enact a number of reforms to run the unemployment program more efficiently and ensure only eligible individuals receive their full range of benefits. These common-sense changes will help to safeguard all affected parties against a repeat of the issues that surfaced during the pandemic. Changes would include:

- Extending Call Center hours during high times of need
- Giving the DOA flexibility in transferring employees to meet the increased workload
- Providing additional online resources to employers regarding the UI program as needed
- Building and requiring weekly eligibility crosschecks using various available databases
- Creating safeguards against fraud by improving identity checks for recipients

If you would like to co-sponsor this legislation, please reply to this email or contact Rep. O'Connor's office (6-2519) or Sen. Feyen's office (6-5300) by 12:00 p.m. April 7th. Co-sponsors will be added to both bills.

Analysis by the Legislative Reference Bureau

UNEMPLOYMENT INSURANCE

This bill makes various changes in the unemployment insurance (UI) law, which is administered by the Department of Workforce Development. Significant changes include all of the following:

Assistance call center

The bill requires DWD to operate a Call Center to assist claimants for UI benefits or similar federal payments. Under the bill, if the volume of calls has increased by 300 percent or more over the same week during the previous year or if there is a declared state of emergency for the state that causes or relates to an increase in UI claims, DWD is required to increase the hours for the call center to include evening hours after 5 p.m. and weekend hours as needed.

Transfer of employees to DWD

The bill authorizes the secretary of administration to temporarily transfer employees from any executive branch agency to DWD to assist in deciding UI appeals. Under the bill, DWD must pay all salary and fringe benefit costs of that employee during the time the employee is at DWD.

Education and informational materials

Current law requires DWD to compile and provide employers with certain information about how the UI system works, including a handbook on the UI system for employers and information concerning the financing of the UI system that is published on DWD's website. The bill requires DWD to also create and make available certain training materials for employers and claimants on the UI system. The bill requires DWD to publish training videos on its website and also to provide live training seminars for employing units that are free of charge and provided on a quarterly basis.

Database comparisons

The bill requires DWD to perform a comparison of state and national databases that track death records, employment records, and prison records against recipients of UI benefits for the purposes of detecting fraud or erroneous payments. The bill requires DWD to perform the comparison on at least a weekly basis. The bill provides that DWD may also make such comparisons with all available databases.

Identity proofing

The bill requires DWD to implement identity-proofing measures for UI claimants who are engaging in benefit-related transactions with DWD that 1) require a claimant to verify his or her identity prior to filing an initial claim for benefits and when engaging in other transactions with DWD, and 2) achieve the IAL2 and AAL2 standards adopted in the National Institute of Standards and Technology's Digital Identity Guidelines. *(These standards are used by federal agencies to verify that people are whom they say they are before being granted access to certain accounts.)*