

# UNEMPLOYMENT INSURANCE ADVISORY COUNCIL

## Meeting Minutes

Department of Workforce Development  
GEF-1 Building Room D203  
201 East Washington Avenue  
Madison, Wisconsin

April 1, 2013

**Members Present:** Mr. Buchen, Mr. Gotzler, Mr. Gustafson, Mr. Lump, Mr. LaCourt, Ms. Knutson (Chair), Mr. Neuenfeldt, Ms. Feistel, Mr. McGowan, and Mr. Reihl.

**Department Staff:** Mr. Rodriguez (UI Administrator), Mr. Sussman, Ms. Maxwell (Executive Assistant to the Secretary), Ms. Schulze (Legislative Advisor for the Office of the Secretary), Mr. Peirce, Mr. McHugh, Ms. James, Ms. Rosenak, Ms. Sausen, Mr. Usarek, Ms. Moksouphanh, Mr. Shahrani, Ms. Banicki, Mr. Schunk, Mr. Brueggeman, and Ms. Gallagher.

**Call to order and introductions:** Ms. Knutson convened the Unemployment Insurance Advisory Council (Council) meeting at approximately 10:10 a.m. in accordance with Wisconsin's open meetings law. Council members present introduced themselves. Ms. Knutson introduced the state legislators and aides who were in attendance. The state legislators and their aides present were: Representative David Murphy (56<sup>th</sup> Assembly District), Lindsey Brabender (Representative Chris Kapenga's Office), and Adam Gibbs (Senator Glenn Grothman's Office).

- 1. Approval of Minutes:** Motion by Mr. Lump, second by Mr. Gotzler to approve the minutes of the March 14, 2013 meeting. The minutes were unanimously approved.
- 2. Correspondence:** Ms. Knutson read a letter that Mr. Gibbs provided the Council just before the meeting from State Senator Glenn Grothman. Senator Grothman's letter voiced support for many of the reforms that were contained in a correspondence the Council would be receiving today from Representative Daniel Knodl and Senator Frank Lasee and signed by sixteen other legislators.
- 3. Department Law Change Proposals:** Ms. Knutson indicated that the Council requested the meeting to consider the remaining Department proposals in closed caucus. She noted that there was one matter she needed to address before the Council members went into caucus. Pursuant to section 108.14(19) of the Wisconsin Statutes, Ms. Knutson explained that Council members were provided a copy of a report entitled "Detection and Prevention of Fraud in the Unemployment Insurance Program." Since Council members wanted to spend

all of their time in caucus addressing the Department proposals, there would not be a presentation on the report. Later on today the report would be sent to the Office of the Governor and leaders of both Houses of the Wisconsin Legislature and subsequently it would be posted online.

Motion by Mr. Reihl, second by Mr. Lump to recess and to go into closed caucus session pursuant to section 19.85(1)(ee) of the Wisconsin Statutes and reconvene later in the afternoon. The motion carried unanimously and the meeting was recessed at approximately 10:20 a.m.

The Council reconvened at approximately 3:00 p.m.

Ms. Knutson explained that five minutes before the Council reconvened she had received the aforementioned letter from the state legislators. The letter contains additional items that the legislators would like the Council to consider and requests a report from the Council back to the legislators by May 2, 2013.

Ms. Knutson asked for a report from the Council following caucus on its consideration of the remaining Department proposals. Mr. Buchen explained that the Council had negotiated an agreement on the remaining Department proposals. He noted that in some instances the Council agreed to:

- (A) Not support a Department proposal;
- (B) Support a Department proposal with modifications; or,
- (C) Support a Department proposal without any changes.

He also clarified that if the Council's agreement modified the language of a proposal, the Council would provide the Department the specific statutory language containing the modification.

Mr. Buchen highlighted that with respect to:

- (A) Department Proposal D12-01 (Misconduct Standard) the Council supported this Department proposal with modifications. The Council agreement enumerated within the statute the standard taken from the Wisconsin Supreme Court decision of *Boynton Cab* and amended the proposal to solely provide four examples of conduct that would qualify as misconduct, but not limit misconduct to these four examples. The four examples relate to employee conduct concerning:
  - 1) Illegal Use of Drugs and Use of Alcohol While on the Job;
  - 2) Larceny;
  - 3) Crimes Related to the Job; and,
  - 4) Violations that would lead to Fines or License Suspension of the Employer.

The Council also agreed to amend the language of section 108.04 (5g) of the Wisconsin Statutes with respect to absenteeism and tardiness to make it easier for either reason to disqualify a claimant from benefits.

- (B) Department Proposal D12-19 (Quit Exceptions) the Council supported this Department proposal with modifications. The Council amended the proposal to result in the reduction of the number of quit exceptions from eighteen to sixteen. The exceptions combined together to eliminate one were: Quit Exceptions L (quit to take) and p (quit to take while claiming partial benefits). The quit exception eliminated was: Quit Exception m (labor organization – employee terminates work with the labor organization resulting in loss of seniority).

The Council agreement also changed the requalification framework. The requalification framework determines what a claimant must do to qualify again for benefits if a claimant voluntarily quits and his or her reason for quitting is not covered by one of the quit exceptions. Under the Council's agreement, the requalification framework would be that the claimant must earn six times his or her weekly benefit rate.

The Council agreed to include the amendment proposed by the Department to the quit same good cause exception (e).

- (C) Department Proposal D12-03 (Not Divulging Security Credentials) the Council's agreement included the Department's proposed change to the quit same good cause exception(s) without any modification.
- (D) Department Proposal D12-31 (Minimum and Maximum Benefit Amounts) the Council supported this Department proposal with a modification. The Council amended the proposal so the minimum benefit amount stays at \$54 per week, so that claimants whose prior salary only makes them eligible for this benefit amount still receive benefits of \$54 per week.
- (E) Department Proposal D12-30 (Suitable Work Requalification Framework) the Council supported this Department proposal with a modification. Generally claimants who fail to accept suitable work are deemed ineligible to receive benefits until they requalify for benefits. The Department proposal would have changed the requalification framework so that claimants would have had to earn ten times their weekly benefit rate to qualify again for benefits. The Council amended the proposal to change that the requalification framework to six times the weekly benefit rate.
- (F) Department Proposals D12-06 (Department Error), D12-08 (Demographic Information), and D12-20 (Phone System Waiver) the Council does not support these proposals at this time.

Without any amendments, the Council had previously supported the following Department Proposals:

- (A) D12-02 (Increase Work Search Efforts) on February 6, 2013;
- (B) D12-10 (Financial Record Match Program) on February 6, 2013;
- (C) D12-17 (Suspend Delinquent License Holders) on January 17, 2013;
- (D) D12-23 (Data Sharing with DOT/DMV) on January 17, 2013;
- (E) D12-28 (Treatment of Same Member LLC's) on January 17, 2013;
- (F) D12-04 (Late Successorship Applications) on January 17, 2013;
- (G) D12-15 (Interest Rate Flexibility) on January 17, 2013;
- (H) D12-16 (Cafeteria Plan Benefit Payments) on January 17, 2013;
- (I) D12-27 (Tardy Filing Fee) on January 17, 2013; and,
- (J) D12-32 (Facilitate Claimant's Reemployment) on February 21, 2013.

The Council had previously supported Department Proposal D12-05 (Simultaneous Collection of SSDI & UI) on February 21, 2013 with amendments.

Motion by Mr. Buchen, second by Mr. Neuenfeldt to support sixteen of nineteen Department proposals as outlined above. The motion carried unanimously.

Ms. Knutson then raised the issue that at the last Council meeting the Department had presented specific questions from the Legislative Reference Bureau to the Council. The questions were follow-up questions about Department Proposal D12-05 (Simultaneously Collection of SSDI & UI). Ms. Knutson noted that the Council had never provided a formal response related to these questions. Mr. Buchen stated that he believed the questions were answered by the fact that their agreement only made a claimant ineligible for unemployment insurance benefits if he or she was actually receiving Social Security Disability Insurance benefits during weeks when unemployment insurance benefits were claimed.

The Council members were provided copies of the aforementioned letter from the legislators that Ms. Knutson had received five minutes before the reconvening of the Council meeting. Ms. Knutson then reviewed aspects of the letter.

Mr. Buchen noted that all the Council members thought the letter contained some good ideas, but that he was sure there would be some disagreement on some of the proposals contained in it. He stated that the Council members very much wanted to get working on the proposals in the letter, but thought they should first finish wrapping up their review of the Department proposals.

Ms. Knutson expressed the Department's appreciation for all the hard work the Council members had exerted in considering the Department proposals.

**4. Future Meetings:** Ms. Knutson reminded Council members that the next meeting was scheduled for April 18, 2013. Ms. Knutson noted that before that meeting the Department would provide Council members with an analysis of the proposals contained in the legislators' letter received by her today.

**5. Adjournment:** Motion by Buchen, second by Mr. Neuenfeldt to adjourn. The motion carried unanimously and the meeting adjourned at approximately 2:40 p.m.