



Department of Workforce Development

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL

Council Members: Please bring your calendars to schedule future meetings.
Council Website: <http://dwd.wisconsin.gov/uibola/uiac/>

MEETING

Date: June 12, 2017

Time: 9:30 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 May 23, 2017 Council Meeting
3. Report on the Unemployment Insurance Reserve Fund
4. Department Update
5. Update on Court Cases
 - *DWD v. LIRC, Valarie Beres & Mequon Jewish Campus, Inc.*
6. Update on Legislation
 - Budget Bill (SB30 / AB64)
 - Mobility Grant Study (AB243)
 - Work Search Waiver (SB83 / AB131)
7. Department Proposals For Agreed Bill Pending Action
 - D17-03 – Assessment for Failure to Produce Records
 - D17-06 – Standard of Proof in Unemployment Insurance Law Cases

8. Labor Proposals For Agreed Bill Pending Action
 - L17-01 – Increase the Maximum Weekly Benefit Rate by \$10 in 2018 and by \$10 in 2019
 - L17-02 – Amend the Trigger for Schedule D to \$1.8 Billion
 - L17-03 – Increase the Taxable Wage Base to \$16,500 in 2019 and Index in Future
9. Management Proposals For Agreed Bill Pending Action
 - M17-01 – Repeal the Quit Exception in Wis. Stat. § 108.04(7)(e)
 - M17-02 – State and Federal Holidays are not Working Days for Partial Benefits if the Employer is Closed
 - M17-03 – Reduce the Maximum Number of Benefit Weeks Based on the Unemployment Rate: 22 Weeks when the Unemployment Rate is below 7%; 18 Weeks when the Unemployment Rate is below 5%
 - M17-04 – Amend Definitions of Misconduct and Substantial Fault
10. Timeline of Agreed Bill/Future Meeting Dates
11. Agenda Items for June 28, 2017 Meeting
12. 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.
- ❖ Some or all of the Council members may attend the meeting by telephone.
- ❖ The employee members and/or the employer members of the Council may convene in closed session at any time during the meeting to deliberate any matter for potential action and/or items posted in this agenda, pursuant to sec. 19.85(1)(ee), Stats. The employee members and/or the 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 other special needs (such as an interpreter or written materials in large print), please contact Robin Gallagher, Phone: (608) 267-1405, Unemployment Insurance Division, Bureau of Legal Affairs, P.O. Box 8942, Madison, WI 53708. Hearing and speech impaired callers may reach us at the above phone number through WI TRS (or TDD/Voice Relay 1-800-947-3529.).

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL

Meeting Minutes

Offices of the State of Wisconsin Department of Workforce Development
201 E. Washington Avenue, GEF 1, Room F306
Madison, WI

May 23, 2017

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, John Mielke, Earl Gustafson via teleconference, Shane Griesbach, Terry Hayden, and Mark Reihl.

Department Staff Present: Joe Handrick, Ben Peirce, Andy Rubsam, Georgia Maxwell, Karl Dahlen, Andrew Evenson, Becky Kikkert, Patrick Lonergan, Tom McHugh, Mary Jan Rosenak, Pam James, Janet Sausen, Robert Usarek, Amy Banicki, Jason Schunk, Emily Savard, Karen Schultz, and Robin Gallagher

Members of the Public Present: Maria Gonzalez Knavel (Labor Industry Review Commission (LIRC), General Council) Mike Duchek (Legislative Reference Bureau), Victor Forberger (Wisconsin UI Clinic), Brian Dake (WI Independent Businesses, Inc.), Bill Smith (National Federation of Independent Business), Chris Reader (Wisconsin Manufacturers & Commerce), and Mary Beth George (Rep. Sinicki's Office)

1. Call to Order and Introductions

Ms. Knutson called the Unemployment Insurance Advisory Council (Council) meeting to order at 9:35 a.m. under Wisconsin's Open Meeting law. Council members introduced themselves and Ms. Knutson recognized Georgia Maxwell, Andrew Evenson, Becky Kikkert, and Karl Dahlen of the Secretary's office, Mike Duchek of the Legislative Reference Bureau and Maria Gonzalez of LIRC.

2. Approval of Minutes of the May 11, 2017 Council Meeting

Motion by Mr. Manley, second by Mr. Griesbach to approve the May 11, 2017 meeting minutes. The motion carried unanimously and the minutes were approved without correction.

3. Report of the Activities of the Unemployment Insurance Advisory Council

Ms. Knutson stated that the Activities report of the Council has been delivered to the Governor and Legislature, recognizing the hard work accomplished by the Council.

4. UIAC 85th Anniversary

Ms. Maxwell presented a proclamation to the Council on behalf of Governor Walker to commemorate the Council's 85th anniversary. Wisconsin has more employed individuals than ever before and the lowest unemployment rate since February 2000 at 3.2%. The common sense reforms recommended by the Council have preserved the stability and integrity of the Trust Fund. When Governor Walker took office in January 2011, the Trust Fund had a negative balance of \$1.4 billion. At the end of 2016, the Trust Fund had a balance of \$1.2 billion, a \$2.6 billion improvement. It is anticipated the Trust Fund balance on June 30 will be \$1.2 billion resulting in an additional tax reduction for Wisconsin employers in 2018, the third straight year employers will experience a reduction. Ms. Maxwell stated that the department and the Council look forward to working with the Governor and Legislature to continue to strengthen the UI program and ensure the program is available to workers who lose their jobs through no fault of their own.

5. Department Update

Ms. Knutson announced the reappointments of Mr. Lump, Mr. Griesbach, and Mr. Gotzler to the Council.

6. Update on Court Cases

Ms. Knutson stated the department has not yet received a response from the Supreme Court to the department's petition for review in the *DWD v. LIRC, Valarie Beres & Mequon Jewish Campus, Inc.* case.

7. Update on Legislation

Budget Bill (SB30/AB64)

The Joint Finance Committee (JFC) passed a motion that retains LIRC, but removes 7.8 vacant positions from LIRC's budget. The motion also requested the Chief Justice of the Supreme Court survey LIRC decisions.

Mobility Grant Study (AB243)

The Mobility Grant Study passed the Assembly and has been messaged to the Senate. No action has been taken by the Senate.

Work Search Waiver (SB83/AB131)

The Work Search Waiver bills are with committees in the Senate and Assembly. No hearings have been scheduled.

8. Department Proposals for Agreed Bill Pending Action

Ms. Knutson requested the Council consider and approve the remaining department proposals. LRB is currently drafting the statutory language for the proposals that the Council previously approved.

Mr. Rubsam requested Council consideration of D17-07 (revision of statute collections, revised language). The change in the proposal is in relation to the adverse decision the department received in federal court (bankruptcy and district court) regarding payment of department claims in bankruptcy court. The proposal will ensure better payments of claims in bankruptcy for benefit overpayments and tax claims. Additional changes in the proposal include the department providing a 10-day notice before issuing a warrant, which is a lien against anyone for claimant benefit overpayments or UI taxes and allowing the department to record a lien when an appeal is pending. Liens are prioritized when recorded.

Mr. Lump expressed concern with the 10-day calendar notice and the ability to contact small businesses. Many small businesses having little to no staff, and the 10-day period may not provide sufficient time for an answer and additional time may be warranted.

9. Labor Proposals for Agreed Bill Pending Action

Labor and Management Members exchanged proposals at the last meeting. Ms. Knutson stated that the department has gathered background information on the proposals as the department understood them; and, to the extent possible, analyzed the impact of some of the provisions to the Trust Fund.

Increase the maximum weekly unemployment benefit rate by \$10 in 2018 and by \$10 in 2019

Mr. Rubsam provided a comparison of the current maximum benefit rate to the other Region 5 states as identified by the U.S. Department of Labor (USDOL) and to the U.S. average. There are a few states within Region 5 that pay additional benefits for unemployed individuals with dependents (Illinois, Ohio, and Iowa). The department estimates this proposal will impact the Trust Fund \$13.67 million annually due to an increase in benefit payments of approximately \$20.5 million and an increase in revenue of approximately \$6.83 million annually. The estimate is based on the assumption that benefits paid in 2018 and 2019 will be at the same level of benefits paid in 2016.

Amend the trigger for tax Schedule D to \$1.8 billion

The proposal to increase the trigger to \$1.8 million for Schedule D is estimated to result in an increase of \$19 million annually to the Trust Fund.

Increase the taxable wage base to \$16,500 in 2019 and index in future years.

Mr. Rubsam stated the department is still preparing a fiscal analysis for this proposal. The department provided historical wage base information for Wisconsin. Mr. Rubsam concluded that obtaining information from other states may not be helpful due to the differences in wage base and tax rates. The department does recommend that if the proposal is approved, the indexed wage base be rounded to the nearest \$100 for administrative simplicity.

10. Manager Proposals for Agreed Bill Pending Action

Repeal the quit exception in Wis. Stat. § 108.04 (7)(e)

A repeal of this quit exception would not necessarily result in ineligibility for all claimants who qualify for this exception because some claimants may qualify for more than one quit exception. Assuming that no claimants qualify for a quit exception other than the exception to be repealed, the department estimates a savings of approximately \$6.42 million annually for the Trust Fund, which represents a \$9.63 million decrease in benefit payments and a \$3.21 million reduction in tax revenue.

State and federal holidays are working days for partial benefits if the employer is closed on the holiday

Mr. Rubsam stated that under this proposal, employers will likely be required to increase their reporting requirements because not all employers are closed on the same holidays. When a claimant files for partial benefits for a week, the department would require an employer to confirm if they were open on a particular holiday to properly adjudicate a claim. This proposal could result in a hold on benefits or overpayments if the employer does not respond to the department's request. The department is continuing to work on a fiscal analysis.

Reduce the maximum number of benefit weeks based on the unemployment rate: 22 weeks when the unemployment rate is below 7%; 18 weeks when the unemployment rate is below 5%

In Wisconsin, the current maximum duration to collect UI benefits is 26 weeks. There are 41 states (including Wisconsin) with the 26-week maximum duration. For comparison, Montana has a 28-week maximum duration and Massachusetts has a 30-week maximum duration. There are five states that link the maximum duration for benefits to the unemployment rate. If the proposal is approved, it would likely effect the amount of extended benefits and emergency unemployment compensation that could be paid to Wisconsin claimants in a future recession. The amount of extended benefits is based on the duration of regular state unemployment benefits. The department is continuing to work on a fiscal analysis. If the state's unemployment rate is 7% or higher, the proposal would not result in any savings to the Trust Fund.

Amend definitions of misconduct and substantial fault

Mr. Rubsam stated there is no proposed language or specific changes provided to amend the definitions of misconduct and substantial fault. The department will work on a fiscal analysis once that language is received.

11. Timeline of Agreed Bill/Future Meeting Dates

Ms. Knutson stated the Council will no longer have a quorum for the June 15 meeting date. A survey will be sent out today with proposed dates for June. Ms. Knutson suggested meeting two times in June to avoid meeting in July and August.

12. Agenda Items

Agenda items for the June meeting will include working on the proposals and an update on the Trust Fund. Additional information will be provided if available on legislation and court cases.

Mr. Rubsam provided some interesting facts on the Council's history. When first created, the Council was composed of three labor members, three management members and one non-voting chairperson. Council members originally received a per diem for their work and drafted the first unemployment handbook. The first payment of benefits was delayed several years to 1936 so the state could wait for the enactment of the federal social security act. The agreement to postpone the payment included an initial benefit rate increase to \$15 per week. Mr. Rubsam also stated that Mr. Reihl's father was a Council member in the 1980s.

13. Motion to Caucus

Motion by Mr. Manley, second by Mr. Reihl, to recess and go into closed session under Wis. Stat. § 19.85(1)(ee), to deliberate agenda items at 10:10 a.m. All Council members voted "Aye" and the motion carried unanimously.

14. Report out of Caucus

The Council reconvened at 1:50 p.m.

Motion

Motion by Mr. Manley to approved department proposal D17-08 (Various Minor and Technical Changes), and D17-07 (Revision of Collections Statutes) with the following amendment:

- Page 10 – Section 108.22 (3h) – Change the 10 days' notice to 15 days' notice before issuing a warrant

Second by Mr. Gotzler. The motion carried unanimously.

15. Adjourn

Motion by Mr. Manley, second by Mr. Reihl to adjourn at 1:55 p.m. The motion carried unanimously.

UI Reserve Fund Highlights

June 12, 2017

1. Last session's agreed bill set aside \$2 million in the balancing account for accounting purposes in order to credit reimbursable employer charges due to identity theft.

The department is required to report to the Unemployment Insurance Advisory Council annually on the total charges for identify theft to reimbursable accounts and on the amount remaining of the \$2 million:

- There have been no charges to date.
- Interest earned to date on the funds set aside is approximately \$22,000.
- The funds are held in the Unemployment Trust Fund which earned an annualized rate of 2.26% for the first quarter of 2017.

An assessment on reimbursable employers is triggered if the set aside amount (plus interest) falls below \$100,000.

2. In 2017, year-to-date regular UI payments through June 3rd decreased by \$23,631,874, or 8.9%, to a total of \$240,911,403 when compared to the same period one year ago.
3. Year-to-date tax receipts through June 3, 2017 were \$412.5 million, \$89.5 million less than the same time last year. This 17.8% decline is attributable to the lower tax rate schedule and the movement of employers to a lower tax rate due to improved experience rating.

FINANCIAL STATEMENTS

For the Month Ended April 30, 2017



Division of Unemployment Insurance

Bureau of Tax and Accounting

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
BALANCE SHEET
FOR THE MONTH ENDED April 30, 2017

	<u>CURRENT YEAR</u>	<u>PRIOR YEAR</u>
<u>ASSETS</u>		
CASH:		
U.I. CONTRIBUTION ACCOUNT	127,464,184.77	139,771,469.20
U.I. BENEFIT ACCOUNTS	(3,101,597.22)	517,489.44
U.I. TRUST FUND ACCOUNTS (1) (2)	<u>1,255,683,273.81</u>	<u>894,847,418.17</u>
TOTAL CASH	1,380,045,861.36	1,035,136,376.81
ACCOUNTS RECEIVABLE:		
BENEFIT OVERPAYMENT RECEIVABLES	91,383,713.62	104,933,371.73
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (3)	<u>(41,288,842.73)</u>	<u>(43,024,532.09)</u>
NET BENEFIT OVERPAYMENT RECEIVABLES	50,094,870.89	61,908,839.64
TAXABLE EMPLOYER RFB & SOLVENCY RECEIV (4) (5)	38,976,943.70	45,734,114.78
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (3)	<u>(24,179,347.46)</u>	<u>(31,091,649.75)</u>
NET TAXABLE EMPLOYER RFB & SOLVENCY RECEIV	14,797,596.24	14,642,465.03
OTHER EMPLOYER RECEIVABLES	24,124,110.94	25,102,572.46
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	<u>(10,962,007.88)</u>	<u>(11,414,984.23)</u>
NET OTHER EMPLOYER RECEIVABLES	13,162,103.06	13,687,588.23
TOTAL ACCOUNTS RECEIVABLE	<u>78,054,570.19</u>	<u>90,238,892.90</u>
TOTAL ASSETS	<u>1,458,100,431.55</u>	<u>1,125,375,269.71</u>
<u>LIABILITIES AND EQUITY</u>		
LIABILITIES:		
CONTINGENT LIABILITIES (6)	32,131,773.81	37,158,254.85
OTHER LIABILITIES	11,704,942.71	9,111,501.52
FEDERAL BENEFIT PROGRAMS	656,742.57	840,099.09
CHILD SUPPORT HOLDING ACCOUNT	86,453.00	9,350.00
FEDERAL WITHHOLDING TAXES DUE	176,780.00	67,298.00
STATE WITHHOLDING TAXES DUE	597,537.00	546,266.00
DUE TO OTHER GOVERNMENTS (7)	<u>2,428,020.91</u>	<u>519,104.66</u>
TOTAL LIABILITIES	47,782,250.00	48,251,874.12
EQUITY:		
RESERVE FUND BALANCE	2,079,049,485.64	1,818,957,127.68
BALANCING ACCOUNT	<u>(668,731,304.09)</u>	<u>(741,833,732.09)</u>
TOTAL EQUITY	<u>1,410,318,181.55</u>	<u>1,077,123,395.59</u>
TOTAL LIABILITIES AND EQUITY	<u>1,458,100,431.55</u>	<u>1,125,375,269.71</u>

1. \$2,019,034 of this balance is for administration purposes and is not available to pay benefits.
2. \$2,022,464 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 43.1%. The allowance for uncollectible delinquent employer taxes is 56.7%. This is based on the historical collectibility of our receivables. This method of recognizing receivable balances is in accordance with generally accepted accounting principals.
4. The remaining tax due at the end of the current month for employers utilizing the 1st quarter deferral plan is \$5,917,058. Deferrals for the prior year were \$8,371,873.
5. \$8,238,272, or 21.1%, of this balance is estimated.
6. \$20,474,778 of this balance is net benefit overpayments which, when collected, will be credited to a reimbursable or federal program. \$11,656,995 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 \$12,545. The 04/30/2017 balance of the Unemployment Interest Payment Fund (DWD Fund 214) is \$39,182.

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
RESERVE FUND ANALYSIS
FOR THE MONTH ENDED April 30, 2017

	<u>CURRENT ACTIVITY</u>	<u>YTD ACTIVITY</u>	<u>PRIOR YTD</u>
BALANCE AT BEGINNING OF MONTH/YEAR:			
U.I. TAXABLE ACCOUNTS	2,330,317,877.00	2,409,958,025.15	2,118,970,629.39
BALANCING ACCOUNT	<u>(1,201,327,955.52)</u>	<u>(1,205,742,751.81)</u>	<u>(1,324,627,668.90)</u>
TOTAL BALANCE	1,128,989,921.48	1,204,215,273.34	794,342,960.49
<u>INCREASES:</u>			
TAX RECEIPTS/RFB PAID	238,889,158.03	299,705,974.62	344,426,697.53
ACCRUED REVENUES	(6,008,536.31)	609,151.85	962,473.20
SOLVENCY PAID	86,426,694.75	107,941,366.58	153,672,927.25
REDA PAID	0.00	0.00	30.20
FORFEITURES	41,310.00	224,808.00	458,163.00
BENEFIT CONCEALMENT INCOME	115,277.04	546,594.79	834,186.95
INTEREST EARNED ON TRUST FUND	0.00	6,329,239.62	4,126,652.32
FUTA TAX CREDITS	4,209.79	23,062.73	(2,077.17)
OTHER CHANGES	<u>55,659.74</u>	<u>185,077.98</u>	<u>365,710.04</u>
TOTAL INCREASES	319,523,773.04	415,565,276.17	504,844,763.32
<u>DECREASES:</u>			
TAXABLE EMPLOYER DISBURSEMENTS	32,400,013.54	178,060,569.38	188,127,857.04
QUIT NONCHARGE BENEFITS	4,196,101.08	22,575,322.57	24,215,055.62
OTHER DECREASES	(351.90)	264,316.57	448,608.30
OTHER NONCHARGE BENEFITS	<u>1,599,750.25</u>	<u>8,562,159.44</u>	<u>9,272,807.26</u>
TOTAL DECREASES	38,195,512.97	209,462,367.96	222,064,328.22
BALANCE AT END OF MONTH/YEAR:			
RESERVE FUND BALANCE	2,079,049,485.64	2,079,049,485.64	1,818,957,127.68
BALANCING ACCOUNT	<u>(668,731,304.09)</u>	<u>(668,731,304.09)</u>	<u>(741,833,732.09)</u>
TOTAL BALANCE (8) (9) (10)	<u><u>1,410,318,181.55</u></u>	<u><u>1,410,318,181.55</u></u>	<u><u>1,077,123,395.59</u></u>

8. This balance differs from the cash balance related to taxable employers of \$1,368,333,444 because of non-cash accrual items.

9. \$2,019,034 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. \$2,022,464 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.

**DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
RECEIPTS AND DISBURSEMENTS STATEMENT
FOR THE MONTH ENDED 04/30/17**

RECEIPTS	-CURRENT ACTIVITY--	--YEAR TO DATE---	PRIOR YEAR TO DATE
TAX RECEIPTS/RFB	\$238,889,158.03	\$299,705,974.62	\$344,426,697.53
SOLVENCY	86,426,694.75	107,941,366.58	153,672,927.25
ADMINISTRATIVE FEE	202.21	570.41	792.45
ADMINISTRATIVE FEE - PROGRAM INTEGRITY	1,735,107.62	1,750,452.73	0.00
UNUSED CREDITS	3,586,851.22	4,148,121.36	3,278,149.05
GOVERNMENTAL UNITS	1,113,239.89	4,907,244.78	6,080,163.25
NONPROFITS	1,093,010.24	4,712,956.59	4,754,067.27
REDA PAID	0.00	0.00	30.20
INTERSTATE CLAIMS (CWC)	82,584.66	1,264,440.71	1,611,347.68
ERROR SUSPENSE	537,887.18	526,578.72	30,771.44
FEDERAL PROGRAMS RECEIPTS	(452,744.12)	128,833.58	345,317.13
OVERPAYMENT COLLECTIONS	2,161,443.53	10,691,698.16	14,871,892.82
FORFEITURES	41,310.00	224,808.00	458,163.00
BENEFIT CONCEALMENT INCOME	115,277.04	546,594.79	834,186.95
EMPLOYER REFUNDS	(186,610.62)	(1,409,380.02)	(1,704,384.16)
COURT COSTS	64,628.79	243,935.39	285,220.28
INTEREST & PENALTY	429,283.97	1,419,003.24	1,285,397.28
PENALTY-PROGRAM INTEGRITY	146,291.75	754,706.33	245,069.51
SPECIAL ASSESSMENT FOR INTEREST	12,544.58	22,867.78	15,128.49
INTEREST EARNED ON U.I. TRUST FUND BALANCE	0.00	6,329,239.62	4,126,652.32
MISCELLANEOUS	14,309.55	47,127.52	160,893.42
TOTAL RECEIPTS	\$335,810,470.27	\$443,957,140.89	\$534,778,483.16
DISBURSEMENTS			
CHARGES TO TAXABLE EMPLOYERS	\$34,379,517.51	\$185,203,584.97	\$199,537,556.20
NONPROFIT CLAIMANTS	1,015,238.19	4,131,890.49	3,804,249.93
GOVERNMENTAL CLAIMANTS	867,583.04	4,461,038.03	4,919,159.38
INTERSTATE CLAIMS (CWC)	405,487.36	2,038,065.22	2,402,526.27
QUITS	4,196,101.08	22,575,322.57	24,215,055.62
OTHER NON-CHARGE BENEFITS	1,452,844.07	8,487,078.96	9,243,853.06
CLOSED EMPLOYERS	(11,074.73)	(19,256.73)	(4,309.17)
ERROR CLEARING ACCOUNT	0.00	0.00	0.00
FEDERAL PROGRAMS			
FEDERAL EMPLOYEES (UCFE)	121,076.39	732,612.24	799,887.04
EX-MILITARY (UCX)	55,189.45	319,744.31	570,701.09
TRADE ALLOWANCE (TRA/TRA-NAFTA)	321,505.26	1,290,182.16	1,911,073.70
DISASTER UNEMPLOYMENT (DUA)	0.00	0.00	(998.52)
2003 TEMPORARY EMERGENCY UI (TEUC)	(1,090.81)	(11,060.46)	(10,867.19)
FEDERAL ADD'L COMPENSATION \$25 ADD-ON (FAC)	(63,795.67)	(241,551.48)	(255,469.37)
FEDERAL EMERGENCY UI (EUC)	(587,762.76)	(2,113,234.14)	(2,916,067.25)
FEDERAL EXTENDED BENEFITS (EB)	(36,811.30)	(140,188.86)	(190,269.03)
FEDERAL EMPLOYEES EXTENDED BEN (UCFE EB)	0.00	(14.11)	(9.28)
FEDERAL EX-MILITARY EXTENDED BEN (UCX EB)	(1,033.49)	(2,546.12)	(3,821.49)
INTERSTATE CLAIMS EXTENDED BENEFITS (CWC EB)	(79.47)	(600.61)	(3,025.19)
INTEREST & PENALTY	367,941.68	1,269,493.01	1,276,303.84
PROGRAM INTEGRITY	339,318.74	701,334.72	185,053.97
SPECIAL ASSESSMENT FOR INTEREST	10,323.20	20,767.87	22,781.94
COURT COSTS	83,547.28	219,245.99	267,060.60
ADMINISTRATIVE FEE TRANSFER	242.90	496.36	797.40
FEDERAL WITHHOLDING	(89,163.00)	(66,263.22)	5,639.00
STATE WITHHOLDING	1,807,182.61	905,265.01	982,132.64
REED ACT & ARRA SPECIAL ADMIN EXPENDITURES	0.00	0.00	139,226.56
STC IMPLEMENT/IMPROVE & PROMOTE/ENROLL EXP	0.00	0.00	2,882.34
FEDERAL LOAN REPAYMENTS	(4,209.79)	(23,062.73)	2,077.17
TOTAL DISBURSEMENTS	\$44,628,077.74	\$229,738,343.45	\$246,903,181.26
NET INCREASE(DECREASE)	291,182,392.53	214,218,797.44	287,875,301.90
BALANCE AT BEGINNING OF MONTH/YEAR	\$1,088,863,468.83	\$1,165,827,063.92	\$747,261,074.91
BALANCE AT END OF MONTH/YEAR	<u>\$1,380,045,861.36</u>	<u>\$1,380,045,861.36</u>	<u>\$1,035,136,376.81</u>

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
CASH ANALYSIS
FOR THE MONTH ENDED April 30, 2017

	<u>CURRENT ACTIVITY</u>	<u>YEAR TO DATE ACTIVITY</u>	<u>PRIOR YTD ACTIVITY</u>
BEGINNING U.I. CASH BALANCE	\$1,080,809,468.21	\$1,159,159,974.49	\$742,892,575.90
INCREASES:			
TAX RECEIPTS/RFB PAID	238,889,158.03	299,705,974.62	344,426,697.53
U.I. PAYMENTS CREDITED TO SURPLUS	86,826,121.40	112,577,560.96	158,916,965.56
INTEREST EARNED ON TRUST FUND	0.00	6,329,239.62	4,126,652.32
FUTA TAX CREDITS	4,209.79	23,062.73	(2,077.17)
TOTAL INCREASE IN CASH	<u>325,719,489.22</u>	<u>418,635,837.93</u>	<u>507,468,238.24</u>
TOTAL CASH AVAILABLE	<u>1,406,528,957.43</u>	<u>1,577,795,812.42</u>	<u>1,250,360,814.14</u>
DECREASES:			
TAXABLE EMPLOYER DISBURSEMENTS	32,400,013.54	178,060,569.38	188,127,857.04
BENEFITS CHARGED TO SURPLUS	<u>5,795,499.43</u>	<u>31,401,798.58</u>	<u>33,794,362.28</u>
TOTAL BENEFITS PAID DURING PERIOD	38,195,512.97	209,462,367.96	221,922,219.32
REED ACT EXPENDITURES	0.00	0.00	139,226.56
SHORT-TIME COMPENSATION EXPENDITURES	<u>0.00</u>	<u>0.00</u>	<u>2,882.34</u>
ENDING U.I. CASH BALANCE (11) (12) (13)	<u><u>1,368,333,444.46</u></u>	<u><u>1,368,333,444.46</u></u>	<u><u>1,028,296,485.92</u></u>

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. \$411,706 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. \$2,022,464 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
BALANCING ACCT SUMMARY
FOR THE MONTH ENDED April 30, 2017

	<u>CURRENT ACTIVITY</u>	<u>YEAR TO DATE ACTIVITY</u>	<u>PRIOR YTD ACTIVITY</u>
BALANCE AT THE BEGINNING OF THE MONTH/YEAR	(\$791,763,398.23)	(\$798,303,306.16)	(\$919,824,755.63)
INCREASES:			
U.I. PAYMENTS CREDITED TO SURPLUS:			
SOLVENCY PAID	86,426,694.75	107,941,366.58	153,672,927.25
FORFEITURES	41,310.00	224,808.00	458,163.00
OTHER INCREASES	<u>358,116.65</u>	<u>4,411,386.38</u>	<u>4,785,875.31</u>
U.I. PAYMENTS CREDITED TO SURPLUS SUBTOTAL	86,826,121.40	112,577,560.96	158,916,965.56
TRANSFERS BETWEEN SURPLUS ACCTS	12,525.29	59,200.25	59,044.34
INTEREST EARNED ON TRUST FUND	0.00	6,329,239.62	4,126,652.32
FUTA TAX CREDITS	<u>4,209.79</u>	<u>23,062.73</u>	<u>(2,077.17)</u>
TOTAL INCREASES	86,842,856.48	118,989,063.56	163,100,585.05
DECREASES:			
BENEFITS CHARGED TO SURPLUS:			
QUITS	4,196,101.08	22,575,322.57	24,215,055.62
OTHER NON-CHARGE BENEFITS	1,599,398.33	8,826,475.99	9,579,306.66
MISCELLANEOUS EXPENSE	<u>0.02</u>	<u>0.02</u>	<u>0.00</u>
BENEFITS CHARGED TO SURPLUS SUBTOTAL	5,795,499.43	31,401,798.58	33,794,362.28
REED ACT EXPENDITURES	0.00	0.00	139,226.56
SHORT-TIME COMPENSATION EXPENDITURES	<u>0.00</u>	<u>0.00</u>	<u>2,882.34</u>
BALANCE AT THE END OF THE MONTH/YEAR	<u>(710,716,041.18)</u>	<u>(710,716,041.18)</u>	<u>(790,660,641.76)</u>

2017 UIAC Law Change Proposal Preliminary Fiscal Estimates

Labor Proposals:

L17-01 – Increase maximum weekly benefit rate (WBR) by \$10 in 2018 and by \$10 2019:

- TF impact: Cost of \$13.67M annually (\$20.5M increase in benefits, \$6.83M increase in taxes).

L17-02 – Amend the trigger for tax Schedule D to \$1.8B:

- TF impact: Increase of \$19M annually in additional tax revenue.

L17-03 - Increase the taxable wage base to \$16,500 in 2019 and index in future years:

- TF impact: Average increase of \$120M annually in additional tax revenue during current economic growth with low benefits. Average increase of \$115M annually in additional tax revenue during a mild recession.

Management Proposals:

M17-01 – Repeal the quit exception in Wis. State 108.04(7)(e):

- TF impact: Savings up to \$6.42M annually (\$9.63M in reduced benefits, \$3.21M in reduced taxes).

M17-02 – State and federal legal holidays not payable if employer is closed:

- TF Impact: More fully developed proposal is needed to develop TF impact. Based on the details of the proposal, the estimate could be substantially higher than the similar 2013 proposal fiscal estimate.

M17-03 – Reduce maximum number of benefits weeks based on the unemployment rate (22 weeks when UI rate is below 7%, 18 weeks when the UI rate is below 5%):

- TF impact: Savings of \$26.7M annually (\$40.1M in reduced benefits, \$13.4M in reduced tax revenue) during current growth period with low benefits. The impact during a mild recession is not completed at this time.

M17-04 – Amend definitions of misconduct and substantial fault:

- TF Impact: More fully developed proposal needed to develop TF impact.

2017-2018 Legislative Session Schedule

January 3, 2017	2017 Inauguration
January 10, 2017	Floorperiod
January 17 to 19, 2017	Floorperiod
February 7 and 9, 2017	Floorperiod
March 7 to 9, 2017	Floorperiod
March 28 to April 6, 2017	Floorperiod
April 20, 2017	Bills sent to Governor
May 2 to 11, 2017	Floorperiod
June 6 to 30, 2017, OR budget passage	Floorperiod
August 3, 2017	Nonbudget Bills sent to Governor
August 3, 2017 (or later)	Budget Bill sent to Governor
September 12 to 21, 2017	Floorperiod
October 10 to October 12, 2017	Floorperiod
October 31 to November 9, 2017	Floorperiod
December 7, 2017	Bills sent to Governor
January 16 to 25, 2018	Floorperiod
February 13 to 22, 2018	Floorperiod
March 13 to 22, 2018	Last general-business Floorperiod
April 12, 2018	Bills sent to Governor
April 17 to 19, 2018	Limited-business Floorperiod
April 26, 2018	Bills sent to Governor
May 8 and 9, 2018	Veto Review Floorperiod
March 23, 2018 to January 7, 2019	Interim, committee work
May 23, 2018	Bills sent to Governor
January 7, 2019	2019 Inauguration