

P.O. BOX 8952 • MADISON, WI 53708

June 26th, 2013

Governor Scott Walker Wisconsin State Capitol Madison, Wisconsin Legislature

Governor Walker,

Please veto the following provisions on Unemployment Insurance (UI) out of this budget. They were inserted there without your review, and with no public scrutiny. They should be removed and the decisions of the employer and employee representatives on the Unemployment Insurance Advisory Council (UIAC) should be deferred to on these issues. They are the experts, not legislators.

(These items refer to the <u>Fiscal Bureau's Comparative Summary of Budget Recommendations (Governor and Joint Committee on Finance, section on Department of Workforce Development)</u>

Item # 1, p. 730: SHARING OF CONFIDENTIAL INFORMATION
[LFB Paper 559]

Item # 2, p. 730: <u>SUITABLE WORK</u> [LFB Paper 738]

Item # 5, p. 734: CONTRIBUTION FINANCING TAX RATES

Item # 6, p. 736: VOLUNTARY TERMINATION OF WORK

Item # 7, p. 738: MISCONDUCT AND SUBSTANTIAL FAULT

Item #8, p. 741: WORK SEARCH -- TEMPORARY HELP COMPANIES

Item # 9, p. 742: <u>REDUCED PARTIAL BENEFITS DURING HOLIDAYS</u>

Items # 6 and 7 alone will deprive job seekers of critical temporary income, to the tune of \$40,000,000 over the next two years kept out of employees' checking accounts statewide.

Denial of UI benefits under these harsh measures will also penalize Wisconsin businesses. Denied benefits will keep laid-off workers from buying millions of dollars of food and supplies in Wisconsin grocery stores whose profit margin is still a razor-thin 2-3%. And of course

they won't eat out, contributing to the continued recessionary struggles of many Wisconsin restaurants to stay afloat.

Job seekers denied UI benefits won't be able to make their car payments to their local banks and credit unions, much less patronize car dealerships in their town. They won't be able to pay their bills to their local Wisconsin utility companies. And these provisions will prevent laid-off employees from making millions of dollars' worth of mortgage and rent payments to Wisconsin banks and credit unions, just when the foreclosure rates were starting to go down. Homelessness will increase in our local communities.

UI benefits don't just keep job-seekers and their families going, they help keep our local and state businesses and economies going!

Governor Walker, if you let these budget provisions stand, you will take a minimum of \$40 million out of the Wisconsin economy and you will just shift many job seekers onto other public benefits – Medicaid, FoodShare, subsidized housing and utilities. Transfers to those public benefits will cost the State of Wisconsin millions of dollars.

In regard to Item #5: do we really want to hike UI taxes on the seasonal employers in Wisconsin, which includes all tourism businesses, many of which are small businesses? This is one of the least thought-through measures in this entire budget! The whole UI tax schedule should be examined by the UIAC members in great depth, and their recommendations adopted for all Wisconsin businesses, not just certain ones.

Governor Walker, we appreciate your serious consideration of the economic consequences for individuals and communities of denying well over \$40 million in UI benefits in the next two years.

Thank you.

Rep. Christine Sinicki

Assembly Labor Committee

76th Assembly District 20th Assembly District Assembly Labor Committee Tod Ohnstad

65th Assembly District

Assembly Labor Committee

Senator Bob Jauch 25th Senate District

Sen. Workforce Dev. Committee

21st Senate District

Sen. Workforce Dev. Committee

Senator Nikiva Harris 6th Senate District

Senate Labor Committee

Sandy Rep. Sandy Pasch 10th Assembly District Rep. Peter Barca Rep. Andy Jorgensen 43rd Assembly District 64th Assembly District Assist. Minority Leader Assembly Dem. Caucus Chr. Assembly Minority Leader Sen. Dave Hansen Rep. Josh Zepnick 9th Assembly District Sen Chris Larson 7th Senate District 30th Senate District Sen. Minority Leader Assist. Sen. Min. Leader Rep. Leon Young 16th Assembly District Rep. Mandy Wright Rep. Dana Wachs 85th Assembly District 91st Assembly District Rep. Katrina Shankland Rep. Melissa Sargent 75th Assembly District 71st Assembly District 48th Assembly District kep. Janis Ringhand Rep. Cory Mason 66th Assembly District Rep. Daniel Riemer 45th Assembly District 7th Assembly District

Rep. LaTonya Johnson

17th Assembly District

Rep. Brett Hulsey 78th Assembly District

Rep. Robb Kahl 47th Assembly District

lan Hell Rep. Gary Hebl 46th Assembly District

Rep. Chris Danou 92th Assembly District

Jerece Berceau

Rep. Terese Berceau 77th Assembly District

Sen. Jon Erpenbach 27th Senate District

Rep. Evan Goyke 18th Assembly District

Rep. Janet Bewley 74th Assembly District

Rep. Mandela Barnes 11th Assembly District

Sen. Mark Miller 16th Senate District Rep. Steve Doyle 94th Assembly District

Rep. Penny Bernard Schaber 57th Assembly District

Sen. Tim Cullen 15th Senate District

Sen. Lena Taylor 4th Senate District