



WISCONSIN LEGISLATURE

P.O. Box 7882 • Madison, WI 53707-7882

May 28, 2020

Governor Tony Evers
P.O. Box 7863
Madison, WI 53707
HAND DELIVERED

Dear Governor Evers:

With Wisconsin unemployment soaring to a historic high of over 14%, unemployment insurance has unfortunately become the mainstay of the hundreds of thousands of unemployed workers in the state. As you know, most private employers are taxed to finance UI benefits at a level based on the business size and their past unemployment experience.

Act 185, signed into law on April 15, included a provision that required UI claims specifically related to the COVID-19 emergency not be charged to a contribution employer's UI account for the remainder of 2020. Instead, the law required that these claims be charged to the balancing account, which is supported by interest on the UI Trust Fund and the solvency tax paid by employers.

The purpose of this provision was to attempt to mitigate the huge tax increases that employers most impacted by the COVID-19 crisis would see as a result of the normal June 30 calculation. The employers who would see the largest tax hikes are the same employers whose businesses have been severely impacted and may struggle to keep their doors open even as the state begins reopening.

It is our understanding that the Department of Workforce Development (DWD) has chosen not to follow these provisions of Act 185. To date, the Department has not submitted rules or even a scope statement for rules to address these changes in the law. As a result of DWD's decision not to follow the law, impacted employers will now face the huge tax increase the legislation sought to avoid when the June 30 calculation is made.

And while the Department is falling short of its duty to employers, it is doing no better for the unemployed. With a growing backlog of over 700,000 benefit payments, and fewer than 500 employees processing claims for the hundreds of thousands of unemployed workers, DWD is failing at its most basic mission.

This is simply unacceptable.

Your administration, DWD specifically, is charged with administering the UI program and following state statutes. The outrageous decision to break the law is made worse by the fact that in so doing, the department is making it even harder for the employers impacted by the health crisis to get their businesses open and bring their employees back to work.

It is incomprehensible that the department charged with workforce and employment would mindfully act to make it harder for unemployed workers to get back into the workforce. Time is short. We urge you to immediately correct this situation and assure that this law is being followed and that the tax rates will be reflective of legislative intent, codified by your signature.

Sincerely,

A handwritten signature in black ink that reads "Scott Fitzgerald". The signature is written in a cursive style with a large, stylized initial "S".

Scott Fitzgerald
Senate Majority Leader

A handwritten signature in black ink that reads "Robin J. Vos". The signature is written in a cursive style with a large, stylized initial "R".

Robin J. Vos
Assembly Speaker