

**Repeal Sunset of Program Integrity Fund**

Date: August 20, 2015

Proposed by: DWD

Prepared by: Andy Rubsam

**ANALYSIS OF PROPOSED UI LAW CHANGE**

**Repeal Sunset of Program Integrity Fund**

**1. Description of Proposed Change**

The 2015-2017 budget increased the civil penalty assessed for concealment from 15% to 40%. 2015 Act 55 § 3113. Act 55 also provides that the additional 25% civil penalty must be deposited into the Program Integrity Fund.

The Program Integrity Fund is scheduled to be automatically repealed (“sunset”) on January 1, 2034. The Department proposes the repeal of the sunset in order for the Program Integrity Fund to continue to exist after January 1, 2034.

**2. Proposed Statutory Change**

Proposed statutory language is attached.

**3. Effects of Proposed Change**

- a. Policy. The program integrity fund should continue to exist beyond 2033 because recoveries of civil penalties are expected to be deposited into the account after that date.
- b. Administrative. There is no expected administrative effect of this proposal.
- c. Fiscal. A fiscal estimate is not yet available, but no fiscal effect is expected.

**4. State and Federal Issues**

There are no known federal conformity issues with repealing the sunset of the program integrity account.

**5. Proposed Effective/Applicability Date**

This proposal would be effective with other changes made as part of the agreed bill cycle.



State of Wisconsin  
2015 - 2016 LEGISLATURE

LRB-2743/P1  
MED:ejs/jld/amn

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

1 AN ACT *to affect* 2011 Wisconsin Act 198, section 4m, 2011 Wisconsin Act 198,  
2 section 6m, 2011 Wisconsin Act 198, section 37m, 2011 Wisconsin Act 198,  
3 section 47m (1) and 2013 Wisconsin Act 36, section 236m; **relating to:** the  
4 unemployment insurance program integrity fund and related provisions.

---

***Analysis by the Legislative Reference Bureau***

Under current law, there is created a separate, nonlapsible trust fund designated as the program integrity fund. Moneys from the program integrity fund are appropriated to the Department of Workforce Development (DWD) for the payment of costs associated with program integrity activities. Also under current law, DWD must assess a penalty against a claimant for unemployment insurance benefits in an amount equal to 40 percent of the benefit payments erroneously paid to the claimant as a result of one or more acts of concealment performed by the claimant. Current law directs 62.5 percent of those penalties to the program integrity fund. 2013 Wisconsin Act 36 provides for the sunset (repeal) of the establishment of the program integrity fund and related provisions, effective January 1, 2034.

This bill repeals the sunset of the program integrity fund and related provisions so that the program integrity fund and related provisions will continue to exist beyond January 1, 2034.

---

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

**SECTION 1.** 2011 Wisconsin Act 198, section 4m is repealed.

**SECTION 2.** 2011 Wisconsin Act 198, section 6m is repealed.

**SECTION 3.** 2011 Wisconsin Act 198, section 37m is repealed.

**SECTION 4.** 2011 Wisconsin Act 198, section 47m (1), as last affected by 2013 Wisconsin Act 36, is repealed.

**SECTION 5.** 2013 Wisconsin Act 36, section 236m is repealed.

**SECTION 6. Nonstatutory provisions.**

(1) UNEMPLOYMENT INSURANCE; REPEAL OF PROGRAM INTEGRITY FUND SUNSET. The repeal of 2011 Wisconsin Act 198, sections 4m, 6m, 37m, and 47m (1) and 2013 Wisconsin Act 36, section 236m applies notwithstanding section 990.03 of the statutes.

(END)