

Date: 09/18/13

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Fiscal Analysis of Senate Bill 273: "Claimant Assistance"

Fiscal Impact:

Senate Bill 273 is not expected to impact the UI Trust Fund.

The UI division currently practices the services requested by Senate Bill 273. If the division were to further enhance the services provided, it is estimated to incur a one-time IT and administrative cost of **\$2,500**. It is also estimated to incur a staffing and administrative cost of **\$193,243 annually**. These costs include the hiring of 2.75 FTE UI claims specialists. The Department respectfully requests GPR funds to cover costs, as there are no federal grants or supplemental funding available at this time for hiring additional claim specialists.

Summary of the Proposal:

This proposal states that when the Department of Workforce Development (DWD) issues a determination or computation of eligibility for benefits regarding employment law that is adverse to the interests of an employee, that DWD must provide information and must maintain a telephone number to assist an employee regarding that adverse determination or computation. Though this proposal affects other DWD divisions, this fiscal analysis focuses exclusively on the Unemployment Insurance Division.

UI Trust Fund Impact Summary:

While this proposal will enhance the customer experience when working through an adverse determination or computation, there is no expected UI Trust Fund fiscal impact based on this proposal.

One-Time and Ongoing Fiscal Impact:

With consultation from the UI Claims Director, due to the volume of inquiries, additional staff is necessary to further enhance our ability to efficiently provide assistance to employees with adverse decisions. About 10% of all nonmonetary determinations are appealed. It is assumed that about 10% of adverse determinations (monetary and nonmonetary) would have substantial questions. Based on 2012 data on adverse claimant decisions, it is assumed that approximately 42,000 calls for assistance are made each year due to adverse determinations. Based on inquiry call times, it is established that approximately 2.75 additional FTE claims specialists are needed to efficiently respond to assistance calls. This equates to call center equipment one-time costs of \$1,500 and annual staffing costs of \$188,743. For legal and other financial help information added to DWD's website and to provide hardcopies if requested, web/forms area representative determined a one-time administrative cost of \$1,000 and ongoing printing and mailing costs of \$4,500. The total one-time cost is estimated at **\$2,500** and ongoing staffing and administrative costs are estimated at **\$193,243 annually**.

Special Notes: *Currently, the UI division has several avenues to assist an employee when benefits have been denied. The division has online resources including division contact information, instructions on the appeals process, and the claimant handbook. When an employee is issued a monetary computation or a legal determination the document includes a telephone number to the division inquiry/assistance line. It additionally gives complete written appeal instructions. Madison and Milwaukee area employees also receive information on legal clinics offered by area nonprofit organizations included with their determination mailing. The UI division has two call centers with a dedicated line for claims inquiries/assistance and claim specialists are trained to assist an employee in understanding the computation/determination and/or explaining the appeals process. If an employee requests information on other financial or legal assistance, claim specialists provide the names and numbers of other services, including 211-United Way and other local county social services offices.*

The division recently implemented a virtual hold system, in which an individual can request a call back in lieu of waiting in the queue. We are working on modernization efforts with federal grant funding that will automate more of the filing process requiring less intervention by a claim specialist. The division is also developing an enhanced internet inquiry program, in which password protected individual information will be available online, rather than requiring a phone call to a claim specialist. These modernization efforts to begin in 2014 will allow existing claim specialists more time to respond to the claims inquiry/assistance line, leading to shorter wait times for assistance, and more thorough responses.