

Fiscal Analysis:
Changes to Work Search/Registration Requirements - ADMINISTRATIVE RULE

Fiscal Impact:

We are unable to quantify a UI Trust Fund fiscal impact, but the impact is expected to be positive.

The proposed administrative rule changes are estimated to incur a one-time IT cost of approximately 5,359 hours or \$407,284 and an administrative one-time cost of approximately 668 hours or \$26,212 for a total one-time cost of approximately **6,027 hours or \$433,496**. No GPR funding is requested. These costs will be absorbed by current federal grants.

Summary of Proposed Administrative Rule Changes:

Work registration administrative rule changes (in line with JCW registration):

- Lays out steps an individual must take to register for and participate in reemployment services
- Clarifies the requirement to make JCW registration mandatory
- Removes language on presumption of participating in reemployment services (now it is monitored)

Work search waiver/registration administrative rule changes:

- Expectation of recall after layoff has to be within 8 weeks which may be extended to 12 weeks (must be employer verified) in lieu of indefinite recall
- Claimants must work at least 20 hours/week with any employer in lieu of any amount of hours with a customary employer
- Additional waiver if a claimant is participating in a special occupational training or other federally authorized programs

Work search administrative rule changes:

- Claimant cannot submit an application to the same employer more than once in a 4 week period (with some exceptions)
- Changes to what constitutes satisfactory evidence of work search
- Department may disqualify a claimant for any week a claimant fails to provide satisfactory evidence of work search.

Summary of Trust Fund Fiscal Impact:

Based on case studies and projecting results to the overall population given these waivers when a new claim was in 2012, changing the expectation of recall waiver and having to work 20 hours waiver could result in 559,544 additional weeks subject to a work search annually.

More stringent work search and work registration waiver requirements will require more claimants have to search for work (which is now at least 4 work search actions per week). There is a general assumption that this may lead to quicker re-employment and less claims being filed. Based on 2012 data, the current work search violation detection rate is approximately .26%. More claimants required to search for work will result in more weeks denied due to work search violations. At this time we are unable to quantify how these more stringent waiver requirements and other work search/registration administrative rule changes may ultimately affect the UI Trust Fund, given future modernization efforts. However, it is expected to be a positive impact.

One-time IT and Administrative Impact Summary:

Each business area representative: IT, Tax, Benefits, and Web/Forms were given a summary of the proposed administrative rule changes. Each determined what changes would be needed in their respected areas, and what training would be needed to implement the law. Each developed a high level estimate that was compiled into a final one-time impact of approximately **6,027 hours or \$433,496**.