

To: Unemployment Insurance Advisory Council
From: Andy Rubsam
Cc: Janell Knutson
Date: December 17, 2015
Re: Public benefit statements (2015 AB 140)

The Department previously reported to the Council that a bill pending in the Legislature proposes to require the Department of Administration to issue annual statements to individuals and families of their benefits received from the Departments of Health Services, Children and Families and Workforce Development. A copy of 2015 AB 140 is attached for reference.

Assembly Substitute Amendment 1 has been introduced to amend AB 140. The amended version of the proposal directs the Department of Administration to develop a legislative plan for sending out the public benefit statements to individuals and families. A copy of the amendment is attached.

The Department has identified several issues with this proposal and the amended version with respect to the effect on the Unemployment Insurance Division. Under federal law, the Department cannot disclose information about an unemployment insurance benefit claimant to the claimant's family without the claimant's permission. In order for the Department to comply with AB 140, claimants would have to voluntarily waive their right to confidentiality, which would be unlikely to happen.

The Department currently issues Form-1099 forms each year to claimants so that claimants can report their UI benefit payments as income on their income tax returns. AB 140 would duplicate the issuance of notice of annual UI compensation to claimants.

The Department may only use its federal grant funds "for the purposes and in the amounts found necessary by the Secretary of Labor for the proper and efficient administration of"

Wisconsin's unemployment insurance law."¹ It appears that the Department cannot use its federal grant money in order to comply with the provisions of AB 140, which means the Department would need to be reimbursed for any staff time spent complying with AB 140. AB 140 does not provide any such funding.

¹ 42 USC § 503(a)(8).



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-1549/1

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2015 ASSEMBLY BILL 140

March 27, 2015 - Introduced by Representatives VANDERMEER, KULP, KNUDSON, MURPHY, KERKMAN, EDMING, E. BROOKS, A. OTT, PETRYK, CZAJA, SKOWRONSKI and THIESFELDT. Referred to Committee on Public Benefit Reform.

1 **AN ACT** *to renumber and amend* 49.83; and *to create* 16.32 and 49.83 (2) of the
2 statutes; **relating to:** annual statements showing total public assistance and
3 unemployment insurance benefits received.

Analysis by the Legislative Reference Bureau

Under current law, the Department of Health Services (DHS) and the Department of Children and Families (DCF) administer a number of programs that are commonly known as public assistance programs. Examples include Wisconsin Works; Medical Assistance; FoodShare; the programs that provide state supplemental payments to persons receiving federal supplemental security income; and the disease aids program that provides assistance in paying the costs of medical treatment for eligible persons with cystic fibrosis, hemophilia, or chronic renal disease. Also under current law, the Department of Workforce Development (DWD) administers the Unemployment Insurance (UI) program, under which eligible individuals who become unemployed or who experience a reduction in work hours may receive UI benefits.

This bill directs the Department of Administration (DOA), with the assistance of DHS, DCF, and DWD, to create a system that: 1) identifies every individual or family in this state who receives any benefits, defined in the bill as public assistance benefits and UI benefits; 2) tabulates the total amount of benefits received in a year by each such individual or family; and 3) generates a detailed statement showing the types and monetary value of all benefits received by the individual or family in a year. By no later than March 31 of each year, DOA must send the detailed statement for the preceding year to each individual or family who received benefits.

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 16.32 of the statutes is created to read:

2 **16.32 Statement of benefits received.** (1) In this section:

3 (a) "Benefits" means public assistance benefits and unemployment insurance
4 benefits.

5 (b) "Family" has the meaning given in s. 49.472 (1) (am).

6 (c) "Public assistance benefits" means services, benefits, payments, or other
7 assistance provided under a program administered by the department of health
8 services or the department of children and families under ch. 49.

9 (d) "Unemployment insurance benefits" means any compensation paid under
10 ch. 108.

11 (2) (a) The department of administration shall, with the assistance of the
12 departments of health services, children and families, and workforce development,
13 create a system that identifies each individual or family in this state that receives
14 any benefits during a year; tabulates the total amount of benefits received by each
15 such individual or family during the year; and generates a detailed written financial
16 statement for each such individual or family showing each type of benefit received
17 by the individual or family during the year, the monetary value of each type of benefit
18 received, and the total monetary value of all benefits received.

19 (b) Annually, no later than March 31 of the year following the year in which the
20 benefits were received, the department of administration shall provide each

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1 individual or family with the statement showing the benefits received by that
2 individual or family in the preceding year.

3 (3) The department of administration may disclose information received from
4 the departments of health services, children and families, and workforce
5 development under this section only in the administration and operation of the
6 system under this section. The statements generated under the system under this
7 section are not open to public inspection or copying under s. 19.35 (1).

8 **SECTION 2.** 49.83 of the statutes is renumbered 49.83 (1) and amended to read:

9 49.83 (1) Except as provided under sub. (2) and ss. 49.25 and 49.32 (9), (10),
10 and (10m), no person may use or disclose information concerning applicants and
11 recipients of relief funded by a relief block grant, aid to families with dependent
12 children, Wisconsin Works under ss. 49.141 to 49.161, social services, child and
13 spousal support and establishment of paternity and medical support liability
14 services under s. 49.22, or supplemental payments under s. 49.77 for any purpose not
15 connected with the administration of the programs, except that the departments of
16 children and families and health services may disclose, including by transmitting or
17 granting access to electronic data, such information, including social security
18 numbers, to the department of revenue for the sole purposes of administering state
19 taxes, including verifying refundable individual income tax credits, and collecting
20 debts owed to the department of revenue. Any person violating this section may be
21 fined not less than \$25 nor more than \$500 or imprisoned in the county jail not less
22 than 10 days nor more than one year or both.

23 **SECTION 3.** 49.83 (2) of the statutes is created to read:

24 49.83 (2) The department of children and families or the department of health
25 services may disclose to the department of administration information that it

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SECTION 3

1 possesses or obtains with respect to recipients and services and benefits under any
2 program that it administers under this chapter that would assist the department of
3 administration in developing and operating the system under s. 16.32 and in
4 providing the statements under s. 16.32 (2) (b).

5 **SECTION 4. Initial applicability.**

6 (1) PROVIDING STATEMENTS. The treatment of section 16.32 (2) (b) of the statutes
7 first applies with respect to benefits received in 2015.

8 (END)



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2015 - 2016 LEGISLATURE

LRBs0060/2
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**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 140**

December 9, 2015 – Offered by Representative VANDERMEER.

1 **AN ACT relating to:** a plan for implementing a statement of public benefits.

Analysis by the Legislative Reference Bureau

Under current law, the Department of Health Services (DHS) and the Department of Children and Families (DCF) administer a number of programs that are commonly known as public assistance programs. Examples include Wisconsin Works; Medical Assistance; FoodShare; the programs that provide state supplemental payments to persons receiving federal supplemental security income; and the disease aids program that provides assistance in paying the costs of medical treatment for eligible persons with cystic fibrosis, hemophilia, or chronic renal disease. Also under current law, the Department of Workforce Development (DWD) administers the Unemployment Insurance (UI) program, under which eligible individuals who become unemployed or who experience a reduction in work hours may receive UI benefits.

This substitute amendment directs the Department of Administration (DOA), with the assistance of DHS, DCF, and DWD, to prepare a comprehensive plan for the development, implementation, and administration of a system that: 1) identifies every individual or family in this state who receives any benefits, defined in the substitute amendment as public assistance benefits and UI benefits; 2) tabulates the total amount of benefits received in a year by each such individual or family; 3) generates a detailed statement showing the types and monetary value of all benefits received by the individual or family in a year; and 4) provides, by March 31, the detailed statement for the preceding year to each individual or family who received

benefits. The comprehensive plan must include the costs for implementing and administering the system, a timeline for beginning operation of the system, and the public assistance benefits that may feasibly be included on the detailed statement based on legal constraints and technical constraints related to placing a monetary value on the benefits. The comprehensive plan must be completed by no later than six months after the date on which this substitute amendment becomes law, and submitted to the Joint Committee on Finance, for information purposes only, by one month later. DOA must submit to the chairpersons of the appropriate standing committees proposed legislation to implement the comprehensive plan.

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

1 **SECTION 1. Nonstatutory provisions.**

2 (1) PLAN FOR STATEMENT OF BENEFITS.

3 (a) In this subsection:

4 1. "Benefits" means public assistance benefits and unemployment insurance
5 benefits.

6 2. "Family" has the meaning given in section 49.472 (1) (am) of the statutes.

7 3. "Public assistance benefits" means services, benefits, payments, or other
8 assistance provided under a program administered by the department of health
9 services or the department of children and families under chapter 49 of the statutes.

10 4. "Unemployment insurance benefits" means any compensation paid under
11 chapter 108 of the statutes.

12 (b) No later than the first day of the 7th month beginning after the effective date
13 of this paragraph [LRB inserts date], the department of administration shall,
14 with the assistance of the departments of health services, children and families, and
15 workforce development, prepare a comprehensive plan for the development,
16 implementation, and administration of a system that does all of the following:

1 1. Identifies each individual or family in this state that receives any benefits
2 during a year.

3 2. Tabulates the total amount of benefits received by each such individual or
4 family during the year.

5 3. Generates a detailed written financial statement for each such individual or
6 family showing each type of benefit received by the individual or family during the
7 year, the monetary value of each type of benefit received, and the total monetary
8 value of all benefits received.

9 4. Annually, no later than March 31 of the year following the year in which the
10 benefits were received, provides each individual or family with the statement under
11 subdivision 3. showing the benefits received by that individual or family in the
12 preceding year.

13 (c) The departments of administration, health services, children and families,
14 and workforce development shall determine and include in the comprehensive plan
15 the total cost for implementation of the system, the cost for continued administration
16 of the system, appropriate confidentiality safeguards, and a timeline for beginning
17 operation of such a system.

18 (d) Notwithstanding the definitions of benefits and public assistance benefits
19 under paragraph (a), the department of health services and the department of
20 children and families shall determine, and the plan shall specify, which public
21 assistance benefits may feasibly be included in the statements under paragraph (b)
22 3., taking into consideration any legal constraints and any technical constraints
23 related to determining the financial value of a public assistance benefit.

24 (e) No later than the first day of the 8th month beginning after the effective date
25 of this paragraph [LRB inserts date], the department of administration shall, for

1 information purposes only, submit the plan to the joint committee on finance. To
2 implement the plan, the department of administration shall submit proposed
3 legislation to the chairpersons of the appropriate standing committees of the
4 legislature, as designated by the presiding officer of each house.

5

(END)