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**Tony Evers, Governor
Caleb Frostman, Secretary**

May 5, 2020

Representative John Nygren
Wisconsin State Capitol Room 309 East
Madison, WI 53708

Dear Representative Nygren,

Thank you for reaching out yesterday to share your suggestion to expedite the processing of unemployment insurance claims. As I have said during legislative briefings over the past several weeks, the Department of Workforce Development is committed to delivering all our programs and services as effectively and efficiently as possible. I welcome any feedback and input from you, your colleagues, and our shared constituents on how we can better serve the people of our state during this public health emergency and beyond.

In your letter, you suggest developing pre-approval procedures for certain Unemployment Insurance claims that have a high likelihood of approval, pending any reviews the agency may need to conduct. I appreciate the concept behind this approach because, as you know, people who are eligible for unemployment insurance are unemployed through no fault of their own. The goal of the UI program is to provide economic stability to not just individuals and their families, but to support our entire state. UI benefits ensure bills are paid, families are fed, and local businesses are supported during times of economic contraction. We must all do what we can to get much needed financial assistance into the hands of Wisconsinites as fast as possible.

Regrettably, we are limited by federal law and guidelines on claims investigation, payment, and program integrity requirements that prevent us from paying claims before affirmatively determining a claimant is entitled to state and federal benefits. Any answer given on a claim that raises a question regarding a person's eligibility must be fully investigated before benefits may be paid. Section 303(a)(1) of the Social Security Act requires state laws to provide methods of administration reasonably calculated to insure the full payment of benefits when due. The U.S. Department of Labor (DOL) has interpreted this provision to include a requirement that benefits only be paid when due and not to pay benefits until all issues that affect an individual's entitlement to unemployment compensation are adjudicated after giving both the claimant and the employer the opportunity to be heard during the adjudication process.

Along with this long-time interpretation, DOL has been quite clear in its guidance to states that we must prevent any misuse of the UI system during this health emergency. In an email sent to state UI agencies on April 14, 2020, Employment and Training Administration Assistant Secretary John Pallasch described it as "troubling" that some states asked "whether it is okay to stop doing fundamental programmatic functions such as not doing fact finding on initial claims." He reiterated that federal law requires states to determine eligibility for regular unemployment compensation, as well as Pandemic Unemployment Assistance, Federal Pandemic Unemployment Compensation, and Pandemic Emergency Unemployment Compensation (PEUC), which were recently created in the federal CARES Act.

While we must continue determining eligibility prior to paying out benefits, we are working to ensure eligible individuals receive the benefits they are due as quickly as possible by expediting and eliminating any eligibility issues that we can, within the confines of meeting federal requirements. For example, through Emergency Order 7, Governor Evers provided a temporary easing of available for work requirements and satisfaction of work search requirements for all claimants. We have also resolved thousands of claim holds by, for example, triaging large volumes of claims with certain issues and by targeting large volumes of claims with a single employer.

I have previously shared with you other efforts DWD has taken to improve its staffing and program efficiencies; however, please know that we will continue to review and update our processes to improve the administration of our programs. I welcome any additional suggestions or feedback

Again, thank you for your thoughtful suggestion. I greatly appreciate your willingness to navigate this unprecedented challenge together to address the needs of the people of our state.

Sincerely,



Caleb Frostman
Secretary
Department of Workforce Development

Cc: Representative Travis Tranel
Representative John Spiros
Representative James Edming
Representative Rob Summerfield
Representative David Steffen
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