STATE OF WISCONSIN DWD

Department of Workforce Development

Unemployment Insurance Advisory Council

Meeting Agenda

February 19, 2026, 1:00 p.m. – 4:00 p.m.

Department of Workforce Development
via teleconference only

The public may attend by teleconference.

Phone: 415-655-0003 or 855-282-6330 (toll free) or WebEx
Meeting number (access code): 2664 832 5356 Password: DWD1

Materials: https://dwd.wisconsin.gov/uibola/uiac/meetings.htm

1. Call to order and introductions
2. Correspondence / Remarks from Rep. Gundrum
   - Independent contractor healthcare workers and healthcare worker platforms (AB 794 / SB 768)
   - Questions or Comments from UIAC or WCAC members
3. Approval of minutes of the September 24, 2025 UIAC meeting
4. Department update
5. Quarterly reports on UI information technology systems
   - 7/1/25 – 9/30/25
   - 10/1/25 – 12/31/25
6. Trust Fund update – Shashank Partha
7. UIAC Activities Report
8. Legislation update
   - Various changes to the unemployment insurance law (UIAC Agreed-Upon Bill) (AB 652 / SB 677)
   - Funding for identity verifcation under the unemployment insurance law and making an appropriation (UIAC Agreed-Upon Bill) (AB 650 / SB 675)
   - Employee misclassification (AB 462)
   - Unemployment insurance work search and registration and granting rule-making authority (AB 467 / SB 471)

- Various changes to the unemployment insurance and worker's compensation laws (substantial fault repeal; attendance misconduct; repeal drug testing and pre-employment drug testing requirements) (AB 468 / SB 486)
- The unemployment insurance waiting period (AB 469 / SB 457)
- Allowing Social Security Disability Insurance recipients to receive concurrent unemployment insurance benefits (AB 508 / SB 507)
- Unemployment insurance benefits (AB 532 / SB 515)
- Regulating medical cannabis, the prescription drug monitoring program, and providing a penalty (AB 547 / SB 534)
- Various changes to the unemployment insurance law (suitable work, quits due to relocations) (AB 622 / SB 500)

9. Research requests
10. Future meeting dates: March 19, April 16, May 21
11. Adjourn

Notice

❖ Members of the Workers Compensation Advisory Council may be in attendance to participate in the discussion of Agenda Item 2.

❖ The Council may take up action items at a time other than that listed.

❖ The Council may not address all agenda items or follow the agenda order.

❖ The Council members may attend the meeting by teleconference or videoconference.

❖ The employee or employer representative members of the Council may convene in closed session at any time during the meeting to deliberate any matter for potential action or items listed in this agenda, under Wis. Stat. § 19.85(1)(ee). The Council may then reconvene again in open session after the closed session.

❖ This location is accessible to people with disabilities. If you need an accommodation, including an interpreter or information in an alternate format, please contact the UI Division Bureau of Legal Affairs at 608-266-0399 or dial 7-1-1 for Wisconsin Relay Service.

State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-4574/1
MIM:cdc

2025 ASSEMBLY BILL 794

December 23, 2025 - Introduced by Representatives GUNDRUM, ARMSTRONG, BEHNKE, BRILL, DITTRICH, MELOTIK, NEYLON, STEFFEN, WITTKE and KNODL, cosponsored by Senator WANGGAARD. Referred to Committee on Health, Aging and Long-Term Care.

AN ACT ***to amend*** 102.07 (8) (a); ***to create*** 102.07 (8b), 104.013, 108.02 (12) (cm) and 109.013 of the statutes; **relating to:** independent contractor healthcare workers and healthcare worker platforms.

Analysis by the Legislative Reference Bureau

This bill provides that under specific circumstances, health care workers (workers) who perform shifts at health care facilities are not employees of health care worker platforms (platforms), health care facility operators, or health care facilities for the purposes of worker's compensation insurance, minimum wage laws, and unemployment insurance. In the bill, "health care worker platform" is defined as a person that operates or offers an electronic platform, system, or application through which health care workers may accept an offer to work one or more shifts at a health care facility.

Under the bill, a health care worker is not an employee of a health care worker platform, a health care facility, or a health care facility operator, if all of the following conditions are met: 1) the platform and the worker agree that the worker is an independent contractor for all shifts the worker schedules through the platform; 2) the platform allows a worker to accept a shift at a facility without requiring the worker to accept a minimum number of shifts; 3) the platform allows a worker to agree to the hourly rates offered or set by the facility or the platform; 4) the platform does not penalize a worker for accepting or rejecting a shift at a facility;

5) the platform does not require the worker to be available during specific periods; 6) the platform does not restrict the worker from engaging in any other occupation or business; 7) the platform does not require the worker to use specific tools while working at a facility during a shift scheduled through the platform; 8) the platform does not prescribe or control the means or methods of work performed by a worker during a shift the worker schedules through the platform; 9) the agreement between the worker and the platform may be terminated by either party at any time with or without cause; 10) the worker is responsible for remitting any federal, state, or local taxes on the worker's earnings from shifts the worker schedules through a platform; 11) the platform does not require a worker to enter into a noncompete agreement with the platform; 12) the platform does not require a worker or facility to pay any fee or compensation to the platform if a worker accepts an offer of permanent employment from a facility; 13) the platform does not restrict a worker from accepting shifts through another platform or from a facility that does not offer shifts on the platform, however a platform may remove a worker who schedules simultaneous shifts or "multi-apps"; 14) the platform maintains occupational accident insurance that applies to any work performed by the worker during a shift that the worker schedules through the platform; and 15) the platform maintains general liability insurance and professional liability insurance.

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

SECTION 1. 102.07 (8) (a) of the statutes is amended to read:

102.07 **(8)** (a) Except as provided in pars. (b) and (bm) <u>and sub. (8b)</u>, every independent contractor is, for the purpose of this chapter, an employee of any employer under this chapter for whom he or she is performing service in the course of the trade, business, profession or occupation of such employer at the time of the injury.

SECTION 2. 102.07 (8b) of the statutes is created to read:

102.07 **(8b)** (a) In this subsection:

1. "Facility" means a health care facility.

2. "Health care facility" means a location that provides health care or related services.

3. "Health care facility operator" means person that operates a health care facility.

4. "Health care worker" means an individual who provides health care or directly-related services to patients. "Health care worker" includes professionals and individuals who provide services that do not require licensure.

5. "Health care worker platform" means a person that operates or offers an electronic platform, system, or application through which health care workers may accept an offer to work one or more shifts at a health care facility.

6. "Worker" means a health care worker.

7. "Worker platform" means a health care worker platform.

(b) This subsection applies only to a work shift that a health care worker performs that the worker schedules or books through a health care worker platform, and this subsection may not be construed to affect the classification of a health care worker under any other circumstances. A health care worker is an independent contractor and is not an employee of a health care worker platform through which the health care worker schedules work shifts at a health care facility or an employee of the health care facility or the health care facility operator at which the health care worker performs a work shift the worker schedules through a health care worker platform if all of the following conditions are met:

1. The worker platform and the worker agree in writing that the worker is an independent contractor for all work shifts the worker schedules through the worker platform.

2. The worker platform allows a worker to determine whether to accept a work shift at a facility without requiring a worker to accept a minimum number of shifts.

3. The worker platform allows a worker to agree in writing to the hourly rates offered or set by the facility or the worker platform.

4. The worker platform does not penalize a worker for accepting or rejecting a work shift at a facility.

5. The worker platform does not require the worker to be available to accept or fulfill a particular work shift during specific hours or on specific days.

6. The worker platform does not restrict the worker from engaging in any other occupation or business, including health care work or health care-related work.

7. The worker platform does not require the worker to use specific equipment, tools, or other supplies during a work shift the worker schedules through the platform.

8. The worker platform does not prescribe or control the means and methods for the services performed by a worker during a work shift the worker schedules through the platform.

9. The agreement between the worker and the worker platform may be terminated by either party with or without cause.

10. The worker is responsible for remitting any federal, state, or local taxes on the worker's earnings from work shifts the worker schedules through a worker platform.

11. The worker platform does not require a worker to enter into a noncompete agreement with the platform.

12. The worker platform does not require a worker or health care facility

operator to pay any fee or compensation to the platform if a worker accepts an offer of permanent employment from a health care facility operator.

13. The worker platform does not restrict a worker from accepting work shifts through another platform or from a facility that does not offer work shifts on the platform. A worker platform may remove from the platform a worker who accepts overlapping work shifts on different worker platforms and later cancels one or more of those work shifts.

14. The worker platform maintains occupational accident insurance that applies to any work performed by a worker during a work shift the worker schedules through the platform.

15. The worker platform maintains general liability insurance and professional liability insurance.

SECTION 3. 104.013 of the statutes is created to read:

104.013 Certain health care workers excluded. (1) In this section:

(a) "Health care facility" has the meaning given in s. 102.07 (8b) (a) 2.

(b) "Health care facility operator" has the meaning given in s. 102.07 (8b) (a) 3.

(c) "Health care worker" has the meaning given in s. 102.07 (8b) (a) 4.

(d) "Health care worker platform" has the meaning given in s. 102.07 (8b) (a) 5.

(2) For the purposes of this chapter, a health care worker is an independent contractor and is not an employee of a health care worker platform through which the health care worker schedules work shifts at a health care facility or an employee of the health care facility or the health care facility operator of the facility at which the health care worker performs a work shift the health care worker schedules through a health care worker platform if all of the conditions of s. 102.07 (8b) (b) are met.

SECTION 4. 108.02 (12) (cm) of the statutes is created to read:

108.02 **(12)** (cm) Paragraph (a) does not apply to a health care worker, as defined in s. 102.07 (8) (b) (a) 4., if all of the conditions of s. 102.07 (8b) (b) are met.

SECTION 5. 109.013 of the statutes is created to read:

109.013 Certain health care workers excluded. **(1)** In this section:

(a) "Health care facility" has the meaning given in s. 102.07 (8b) (a) 2.

(b) "Health care facility operator" has the meaning given in s. 102.07 (8b) (a) 3.

(c) "Health care worker" has the meaning given in s. 102.07 (8b) (a) 4.

(d) "Health care worker platform" has the meaning given in s. 102.07 (8b) (a) 5.

(2) For the purposes of this chapter, a health care worker is an independent contractor and is not an employee of a health care worker platform through which the health care worker schedules work shifts at a health care facility or an employee of the health care facility or the health care facility operator of the facility at which the health care worker performs a work shift the health care worker schedules through a health care worker platform if all of the conditions of s. 102.07 (8b) (b) are met.

(END)

From: Leibham, Joe
To: Leibham, Joe
Subject: Background on Assembly Bill 794/Senate Bill 768
Date: Monday, February 16, 2026 1:55:31 PM
Attachments: Assembly Bill 794-Senate Bill 768 Testimony.pdf

On behalf of our client, Clipboard Health, I am contacting you to share some background information on Assembly Bill (AB) 794/Senate Bill (SB) 768. This legislative proposal will be discussed at the joint meeting of the Unemployment Insurance Advisory Council and Worker's Compensation Advisory Council on Thursday, February 19, 2026. As a member of the council, we appreciate your attention to this matter.

AB 794/SB 768 seek to clarify that healthcare workers who use an electronic platform to simply find open shifts at a healthcare facility are independent contractors, not employees of the platform or the healthcare facility.

Clipboard and various other platforms have operated in Wisconsin for a number of years and have helped to fill tens of thousands of shifts at facilities across the state. Our platforms help healthcare workers find additional work opportunities at which they are able to provide necessary care to Wisconsin's elderly citizens.

The healthcare workers who use our platforms have always been classified as independent contractors and they freely understand and accept what that status means in regard to unemployment insurance and worker's compensation.

The intent of the legislative proposal is to clarify that healthcare professionals who use platforms to fill shifts will continue to be classified as independent contractors if the 15 conditions required in the bill are met.

In an effort to provide some important background and prospective on the proposal, please find:

A copy of the bill - https://docs.legis.wisconsin.gov/2025/related/proposals/ab794.pdf
A memo explaining Amendment 1 -
https://docs.legis.wisconsin.gov/2025/related/lcamendmemo/ab794.pdf

Attached, please find testimony on the proposal from Clipboard, various healthcare professionals, healthcare facilities and other platforms.

We appreciate Representative Gundrum and Senator Wanggaard's leadership on the proposal and the support we have received from the legislature. We would value the support of the Unemployment Insurance Advisory Council and the Worker's Compensation Advisory Council as we seek to maintain the ability of new technology platforms to help healthcare professional provide quality care to the citizens of Wisconsin.

Please reach out with any questions or if you would like to speak with a representative from Clipboard Health.

Thank you for your interest in this matter and for your service to the State of Wisconsin.

Joe

Joe Leibham
Director, Public Affairs

Foley & Lardner LLP

Phone 608.258.4257 - Mobile 920.627.2760

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CLIPBOARD HEALTH

Good afternoon. My name is Matt Orlins. I am Counsel for Legislation and Government Relations at Clipboard Health. Thank you, Representative Gundrum, for introducing AB 794. Thank you, members of the Committee, for your time today in considering it.

First, a little bit about us. Clipboard Health is a technology company that operates an innovative online marketplace app that helps health care facilities and independent health care professionals connect with one another. The easy-to-use app allows facilities, mainly long-term care facilities, to post available shifts and health care professionals, mainly CNAs, LPNs, and RNs, to view and sign up for those shifts, as often or as little as they each want. Facilities can find extra help when they need it, and professionals can earn extra income in a way that fits their schedule and individual needs.

The Department of Workforce Development reports that Wisconsin faces a potential shortage of 20,000 nurses by 2040 and nearly 32,000 annual openings across healthcare occupations between 2020 and 2030. Health care worker platforms like Clipboard Health are a small – but important – part of the solution to the significant staffing crisis at nursing homes and other long-term care facilities.

I am here to express our strong support for AB 794, which offers clarity and consistency on the status of health care professionals when they book shifts on health care worker platforms meeting established conditions. Those conditions help to ensure that health care professionals using the platforms retain their professional independence and flexibility.

Health care worker platforms, like those contemplated by AB 794, are distinct from traditional staffing agencies. To meet the conditions set forth by the bill, platforms cannot: set any minimum number of shifts that a professional must book, require that a nursing professional be available during any hours or days, assess any fee if a facility and professional who meet through a platform enter into an employment or contracting relationship after the shift, prescribe the tools that are to be used during a shift, or restrict professionals from booking shifts through competitors or pursuing any other business opportunity. In short, the only way to satisfy the bill's conditions is to ensure that health care professionals using the platforms retain the independence that an independent contractor rightfully expects to enjoy.

Facilities benefit from this model because they can fill shifts efficiently and flexibly. They can post the shift and immediately have it available for booking by qualified professionals. If they find a nursing professional that they'd like to hire full or part time, they are free to do that without paying any kind of direct hire fee. Moreover, in the case of many platforms, including Clipboard Health, facilities will know that pricing is transparent and predictable. The same base charge rates apply whether it's a slow month or a very busy one. The rate increases only when the facility decides to increase it to make a shift more appealing.

Health care professionals benefit from this model because they can choose when, where, how often, and for how much they'd like to work. They book only the shifts they want and have zero obligation to book or even view those that they don't.

AB 794 also requires that platforms maintain occupational accident and general and professional liability coverage applying to shifts. Those provisions add further layers of protection for professionals, facilities, and patients in the event of an accident during a shift.

In our experience, health care professionals use Clipboard and other similar platforms because they want to earn supplemental income while getting more education, helping out their family, or simply helping to make ends meet. Our data suggest that most professionals have jobs or other sources of income outside of using the platform. During 2025, 65% of professionals booked 2 or fewer shifts during the weeks that they used Clipboard's marketplace. Moreover, 87% of professionals booked 52 shifts or fewer across all of 2025.

Wisconsin uses different worker classification tests for Wage & Hour, Workers Compensation, and Unemployment Insurance purposes. Those distinctions alone can result in different outcomes for entities operating in the state depending upon which test is applied. Moreover, even when using the same test, judicial bodies have interpreted the application of the tests to the same facts quite differently. For example, two recent Court of Appeals decisions adopted meaningfully different interpretations than the Labor & Industry Review Commission of how Wisconsin's test for Unemployment Insurance applied to two companies' models in other industries. The current tests and their application can lead to confusion, strain on government resources, and excess legal costs for entities operating in the state.

To be clear, Clipboard believes that our business model satisfies the state's tests, but, as I noted a moment ago, the differences across tests and across interpretations of those tests can lead to confusion. AB 794 would address that by creating one very clear set of standards for health care professionals using health care worker platforms. Critically, those standards would also create a bar for operations that will make certain that professionals retain their independence.

Worker classification tests should ensure that individuals performing work as employees are afforded all relevant protections while simultaneously allowing independent contractors to maintain autonomous and flexible relationships with their customers. We believe that AB 794

CLIPBOARD HEALTH

achieves that for health care professionals booking shifts through health care worker platforms. We strongly support it.

My name is Jovan Miller, and I live in Madison WI. I'm a certified Nursing Assistance, with over 16 years of experience in the field. I currently work at UW Hospital as a certified Nursing Assistance/ Video tech for a little over 10 years. I have been using Clipboard Health's marketplace to book shifts for a little over 5 months.

I started using Clipboard marketplace due to hours being reduce at my other job and needing extra income to get me through.
I use Clipboard Health to book shifts 1-3 shifts per week at health care facilities at the times that best fits my schedule, location, and compensation levels that meets my individual needs and expectations. The added income offers me the flexibility to help my son through college, keep food on the table, and paying extra bills. The control over my schedule allows me to better prioritize life with my children, appointments, all while gaining more experience in different facilities.

I am writing to express my support for SB 768/AB 794. The bill ensures that I can continue, as an independent contractor, to book and fill nursing urgent shifts at times, location, and compensation levels that meet my expectations. The bill also provides protection to ensure that I retain my independence, it allows me to choose which shifts and facilities work well for me when it comes to working shifts that are separate from my other job, it's important to me that I set my own schedule and am my own boss.

I appreciate the chance to provide testimony here today.

My name is Dawn Harper-Webb I live in Milwaukee, WI. I am a RN and I am currently enrolled to start my MSN program. I have been working with Clipboard since April 2023. I book shift according to my availability aside from my Full time job. Clipboard allows me to be able to finance unexpected expenses, emergencies, and personal wants/ needs. By using clipboard I keep my nursing home skills and knowledge current and fresh, It helps me pay off debts, as well as take vacations. I am currently working Clipboard to return to school for my Masters degree. I support Senate bill768/Assembly Bill 794. I like working as an independent contractors it allows my the experience of a variety of facility and different shifts. If my availability changes, I can still pick up different times and places. If I go to a facility I don't like, I don't have to return there, and I can manage my own time.

NURSA

In Support of Assembly Bill 794
Assembly Committee on Health, Aging, And Long-Term Care

To Chairman Moses and members of the Assembly Committee on Health, Aging and Long-Term Care:

My name is Kerry Brown, and I serve as General Counsel for Nursa, a healthcare workforce platform that connects licensed independent clinicians with healthcare facilities seeking short-term staffing support. I'd like to thank Representative Gundrum for introducing AB 794, a legislative framework which provides much-needed clarity for nurses and health care facilities alike.

Nurses using Nursa are looking for flexibility and control over their schedules. Many already hold full-time positions and use platforms like ours to pick up additional shifts when it works for them, whether to supplement income, manage family responsibilities, or avoid burnout. AB 794 protects that flexibility by ensuring nurses can choose which shifts to accept, set expectations around pay, and work with multiple facilities or platforms without penalty.

From the facility perspective, AB 794 helps address one of the most urgent challenges in healthcare today: staffing shortages that directly affect patient care. Facilities need the ability to fill shifts quickly and predictably, especially during periods of high demand. This bill allows facilities to do that while preserving the option to hire nurses permanently, without fees or restrictions, if the relationship is a good fit.

AB 794 also strikes the right balance on accountability. It requires platforms to maintain occupational accident, general liability, and professional liability insurance, ensuring appropriate protections are in place for workers, facilities, and patients alike. Flexibility and safety are not mutually exclusive, and this bill reflects that.

Finally, AB 794 replaces uncertainty with clarity. Wisconsin's current patchwork of worker classification tests can lead to confusion and inconsistent outcomes. This bill creates a clear, healthcare-specific framework so nurses and facilities know exactly where they stand.

For nurses who want flexibility and for facilities trying to deliver consistent, high-quality care, AB 794 is a practical and balanced solution. We strongly support the bill and respectfully urge the Committee to advance it.

Thank you for your time.

Kerry Brown
General Counsel, Nursa

KARE

In Support of Assembly Bill 794
Assembly Committee on Health, Aging, And Long-Term Care

To Chairman Moses and members of the Assembly Committee on Health, Aging and Long-Term Care:

My name is Frank Eaves, a proud native Wisconsiner and current Chief Financial Officer for KARE, a healthcare workforce platform focused on helping long-term care and post-acute facilities connect with qualified healthcare professionals when staffing needs arise. I want to thank Senator Wanggaard and the co-sponsors for introducing AB 794, which addresses a critical need in Wisconsin's healthcare system.

Facilities, particularly nursing homes and long-term care providers, are under constant pressure to maintain adequate staffing levels while responding to unpredictable demand. KARE works with facilities that rely on flexible staffing solutions to ensure residents receive timely, quality care. AB 794 supports that mission by giving facilities a clear, lawful way to engage independent healthcare professionals without unnecessary friction or uncertainty.

At the same time, the bill strongly protects workers. Healthcare professionals using platforms like KARE maintain full control over when and where they work. They are not required to accept minimum shifts, are free to work with other platforms or facilities, and are never locked into exclusivity or noncompete arrangements. AB 794 ensures that independence is real, not theoretical.

Importantly, this bill sets responsible standards for platforms. By requiring occupational accident, general liability, and professional liability insurance, AB 794 ensures there are safeguards in place for workers, facilities, and patients, especially in high-acuity care environments. One addition we'd like to propose would be for allowing platforms the option to maintain access to either occupational accident or workers' compensation coverage.

AB 794 also brings consistency to a system that is currently fragmented. Applying different classification standards across wage and hour, workers' compensation, and unemployment insurance creates confusion and risk for facilities that are simply trying to staff responsibly. This bill provides a single, clear framework that allows everyone to focus on care delivery rather than compliance uncertainty.

In short, AB 794 supports healthcare professionals' independence, helps facilities meet staffing needs, and strengthens patient care across Wisconsin. KARE strongly supports the bill and urges the Committee to move it forward.

Thank you for your consideration.

Frank Eaves
Chief Financial Officer, KARE

12/24/25

Dear Senator Wanggaard and Representative Gundrum:

Thank you for introducing legislation related to independent contractor healthcare workers and healthcare worker platforms. I am writing on behalf of AA Healthcare and ARIA Healthcare to express our support for the bill.

AA Healthcare operates 9 skilled nursing and long-term care facilities across Wisconsin. ARIA Healthcare operates 5 skilled nursing and long-term care facilities across Wisconsin. We are committed to providing top-notch care to every resident of our facilities. To uphold that commitment, we must ensure that our facilities have the necessary staffing to meet each resident's needs. Like so many other states, however, Wisconsin is experiencing a nursing shortage. The shortage makes finding and keeping nurses and nursing assistants more challenging.

To that end, Wisconsin should strive to accommodate different approaches to staffing that can help facilities meet the needs of its residents.

Healthcare worker platforms like Clipboard Health allow facilities like ours to find staffing in a number of important ways. First, they offer us much needed flexibility. If we have a one-off, immediate need to fill a shift, we can post it, even with limited notice. Alternatively, if we have a planned absence and need to fill five shifts, we can post them all at once and find professionals to fill those shifts. We can post as many or as few shifts as we like, just as healthcare professionals can book as many or as few as they like. We fill staffing based upon our needs and professionals' availability and interest–not based upon inflexible contract terms.

Second, platforms offer speed and efficiency in filling shifts. We can post shifts as soon as we recognize that there's a need. Similarly, nursing professionals can book shifts as soon as they're posted without any requirement to update schedules and expectations to a third party. We avoid extra layers of bureaucracy, which can slow down the process of connecting.

Third, platforms offer pricing transparency and predictability. When we sign agreements with platforms like Clipboard Health, we don't agree to post any minimum number of shifts. But we do agree upon the base rates that our facility will need to pay for shifts that are booked. Although we retain the ability to increase those rates if we want to make an open shift more appealing, we are not unexpectedly hit with significant rate increases during busy times of year. Moreover, if we meet a nursing professional that we like through a platform, we can hire that person directly without paying a fee back to the platform. The arrangement encourages us to hire individuals we meet through platforms, and we have hired many Clipboard Health professionals to in house Full and Part Time positions.

At AA Healthcare and ARIA Healthcare, we strive to meet our staffing needs with our traditional employees. With the referenced nursing shortage, expected turnover, and unplanned absences, that's not always practical. Consequently, healthcare worker platforms are an essential tool for facilities like ours to meet the needs of its residents. We thank you both for introducing this important legislation.

Please do not hesitate to reach out to us if you have any questions about the work we do and the importance of healthcare platforms in providing care to our residents.

Warm regards,

Yaakov Karsh

Director of Recruitment

AA Healthcare and ARIA Healthcare

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL

Meeting Minutes

Offices of the State of Wisconsin Department of Workforce Development

201 E. Washington Avenue, GEF 1, Madison, WI

September 24, 2025

Held Via Teleconference

The meeting was preceded by public notice as required under Wis. Stat. § 19.84.

Members: Janell Knutson (Chair), Sally Feistel, Corey Gall, Shane Griesbach, Scott Manley, Crystal Martzall, Kent Miller, and Susan Quam.

Department Staff: Jim Chiolino (UI Division Administrator), Andy Rubsam, Mike Myszewski, Shashank Partha, Linda Hendrickson, Ashley Gruttke, and Joe Brockman.

Members of the Public: Michael Duchek (Legislative Reference Bureau), Victor Forberger (Attorney, Wisconsin UI Clinic), and two unknown audio participants.

1. Call to Order and Introductions

Ms. Knutson called the Unemployment Insurance Advisory Council to order at 9:09 a.m. under the Wisconsin Open Meetings Law. Attendees introduced themselves in turn. Ms. Knutson acknowledged the department staff in attendance.

2. Approval of Minutes of the September 18, 2025, UIAC Meeting

Motion by Ms. Feistel, second by Mr. Manley, to approve the minutes of the September 18, 2025, meeting without correction. Vote was taken by voice vote and passed unanimously.

3. LRB Draft Language for Agreed-Upon Bills to Amend the Unemployment Insurance Law

Ms. Knutson explained the Council has come to an agreement and the draft language for the Agreed-Upon Bills are included in members' packets. Ms. Knutson described the two bills (one for policy and one for appropriations).

The first bill, LRB-4851, is the policy bill. The bill includes: increasing the maximum weekly benefit rate from $370 to $395 as of December 2025; creating an employer website to report candidates declining a job interview, job offer, or failing to attend an interview or first day of work, if a claimant did not have good cause for doing so, the claimant could be found ineligible for UI benefits for that week; reducing weekly UI benefits by 50% of proportionate monthly SSDI benefits; assessing a $5,000 penalty for attempted benefit fraud by imposters; expanding the use of electronic communications for claimants and employers to respond to department inquiries and expanding electronic filing requirements for UI tax reports as of 2/2/2027; auditing work search actions for 50%

of claimants who were paid benefits and have no work search waiver; and verifying identities before filing a claim using a variety of identity tools detailed in the bill.

The second bill, LRB-4813, is the appropriations bill. The bill provides that General Purpose Revenue funds for drug testing and treatment may be used for identity verification if federal funding is no longer available. Ms. Knutson explained that since this proposal amends an appropriations statute, it needs to go through the Joint Committee on Finance.

Motion by Mr. Griesbach, second by Mr. Manley, to approve the Agreed-Upon Bills. Vote was taken by roll call and passed unanimously.

Ms. Knutson advised the bills will be jacketed by the Legislative Reference Bureau and delivered to the Legislature. She stated the department will let the Council know the same day that occurs and keep the Council updated on the status of the bills. Ms. Knutson thanked the Council for their hard work on the bills and getting their work done early.

4. Future Meeting Dates

The Council discussed preferences for meeting the rest of the year. The next Council meeting will be held virtually on November 20, 2025.

5. Adjourn

The Council adjourned at 9:18 a.m.

State of Wisconsin

Date: October 31, 2025

To: Members of the Joint Committee on Finance and Joint Committee on Information Policy and Technology

From: Department of Administration Secretary Kathy Blumenfeld Kathy Blumenfeld

From: Department of Workforce Development Secretary Amy Pechacek

Subject: 2021 Wisconsin Act 4 Quarterly Report – Third Quarter 2025

Pursuant to 2021 Wisconsin Act 4, under Wis. Stat. s. 108.14(27)(e), this report serves to update you on the progress the Department of Workforce Development (DWD) has made on its project to improve the information technology (IT) systems used for processing and paying claims for unemployment insurance (UI) benefits from July 1 to September 30, 2025.

DWD has undertaken various projects to modernize the suite of Wisconsin's Unemployment Insurance systems. These efforts include modernizing UI's information technology systems used for processing and paying claims for benefits (referred to as the "monetaries" project), as required by Act 4, as well as other UI systems, such as enhancements to the employer portal and advanced security features to assist in preventing and identifying UI fraud. The UI modernization projects have been supported by federal American Rescue Plan Act (ARPA) funds: $80 million in State and Local Fiscal Recovery Funds (SLFRF), administered through the Department of Administration, and $29 million in ARPA grants awarded by the U.S. Department of Labor (U.S. DOL).

DWD had specific plans to use both sources of federal funds (ARPA-SLFRF and ARPA-U.S. DOL funds) to complete modernization projects of its UI systems. The UI modernization projects were to ensure effective and efficient payment of benefits, provide secure and accessible communications with employers, and reduce fraud and overpayments. As reported in the 2021 Wisconsin Act 4 Quarterly Report – Second Quarter 2025, the Trump Administration terminated the $29 million of DWD's modernization grants on May 22, 2025, without prior notice. As a result of U.S. DOL's action, DWD was forced to halt the following UI modernization projects:

- UI Employer Portal Modernization ($11.25 million). DWD planned to use the funds to create a state-of-the-art web-based and mobile solution that modernizes the current employer portal with the added functionality that improves communications between DWD and its customers for tax and wage reporting, employer information and support, responding to submitted unemployment insurance claims verification, and activities in support of appeals. Some of the most critical items in the modernization project are secure communications to reduce fraud and document sharing to increase efficient collaboration between employers and DWD.

- UI Program Integrity ($2.6 million). DWD used this to identify potential fraud, modernize the UI system to detect sophisticated new fraud schemes, and improve overpayment collection activities.

- UI Fraud Detection and Prevention ($3.7 million). This grant was used to strengthen identity verification of UI claimants, enhance fraud detection and prevention strategies, improve data management and analytic capabilities, increase cybersecurity, and expand overpayment recovery efforts in all UI programs.

- UI Tiger Team (round 1: $4.2 million; round 2: $263,400). DWD used the grant to implement identity authentication and identity proofing tools, including the Integrity Data Hub, as well as to modernize its application process. DWD was looking to further enhance its adjudication case scheduler automation and central repository for all interactions on a claim when the funds were terminated.

- UI Equity ($6.8 million). DWD planned to use the remaining grant funds to implement a modernized correspondence tool to facilitate effective written communication with all UI customers through an agile and efficient systems interface. The new tool would make updates to standard correspondence less costly and require less staff resources.

Termination of the U.S. DOL grants prevents DWD realizing efficiencies for Wisconsin employers, workers, and DWD staff that it would gain from a fully modern and integrated UI IT system. Due to the importance of these projects, on June 25, 2025, DWD sent a letter to the Joint Committee on Finance (JFC) requesting one-time funds to make up for this loss. DWD also requested U.S. DOL to reconsider its termination of the grants. JFC did not provide DWD modernization funds and U.S. DOL declined to reverse its terminations.

With these terminations, all UI modernization efforts are now supported by the remaining ARPA-SLFRF funding and the revised, reduced scope will be completed in fall 2026 to coincide with the end of this funding source. DWD is making progress with the resources available.

To adapt, DWD has revised the modernization plans to best meet the holistic needs of the system in these unanticipated circumstances. The complex and interdependent UI IT systems include the following components: monetaries, correspondence, adjudication, audit and QA, appeals, and employer portal. All components must be updated before the systems can be fully cloud-based. To best position itself to modernize the interconnected UI systems, DWD will be focusing on converting to modern code on UI's current servers, or “on premise,” rather than in the cloud. To this end, DWD has begun a series of projects on premise with a focus on modern coding language that is more flexible and adaptable.

To best support the short and long term needs since the loss of access to a significant amount of federal resources, UI's modernization effort will deliver the following:

- **Manual Processing Reduction**: This effort addresses key manual processing pain points in the monetaries system. Currently, certain claims require manual processing because the system is not designed to handle particular situations associated with these claims. This manual processing is inefficient and slows down claims processing, even when there is not an onslaught of claims filed, as would be expected in an economic downturn. The new system will automatically pull the unprocessed claims from the system, run the claims through a predefined process, and return the results to the current system to complete the claims process. Through these changes, UI will be less reliant on manual processing, thereby speeding up claims processing.

  During this quarter, development work began with early progress on a prototype calculator that will eventually be able to collect all the relevant information and perform the calculations for a given issue type. The prototype calculator allows developers and subject matter experts to assess the needs of each item the current system cannot automatically work through, identify the workflow, and test out early functionality. Future work will expand upon the limited number of issue types currently included in the prototype.

- **Code Language Upgrade:** To address calculation of UI benefits for the monetaries system, DWD is soliciting vendor support to perform a code language upgrade to the Claimant and Worker Portals, which are external facing for claimants, and UIBNET, which is internal facing for UI staff. The upgraded code will allow DWD to realize the benefits of new features and security functionality, improve ease of development, and increase capacity to perform future development work. When complete, these disparate applications will be on the same code base, making integration and coordination between the systems easier.

- **Employer Portal Enhancements:** While the intended work on the Employer Portal included developing a new application in the cloud, DWD was forced to modify the plans after the termination of federal funds. The revised project focuses on critical improvements to the existing working system. To modernize the application, DWD is looking to upgrade all coding language so that DWD can realize the benefits of new features and security functionality, improve ease of development, and increase capacity to perform future development work. In-house developers are beginning work to improve application features where they connect to other UI systems. Those in-house developers will be augmented by vendor teams to work alongside DWD IT staff. The Employer Portal enhancements include enhancing security through the inclusion of myWisconsinID for secure portal logins and improving the user experience through page redesigns, submission capability for commonly used tax form, and secure messaging for direct electronic communication between employers and UI staff. Additionally, DWD is in the process of identifying a vendor to assist with upgrading to a modern code language and to assist with modern screen design.

- **UI Account Number Expansion**: UI Account Numbers are discrete and assigned to all employers subject to UI laws in Wisconsin. Each employer has a unique UI Account Number. A limit of six characters was programmed into the mainframe system when it was introduced about 50 years ago. That character limitation has not been changed, and old employer account numbers cannot be recycled. It is projected that UI will run out of UI Account Numbers for employers within three to four years. Mainframe changes are needed to expand the number of characters to assign UI account number to employers in the near future. This effort will be done using DWD developers following the initial mainframe work by a vendor.

Finally, to keep the Committees apprised of the resources being used and the cost of modernizing UI's information technology systems used for processing and paying claims for benefits, the following provides a funding overview for that project:

State and Local Fiscal Recovery Funds (SLFRF) under American Rescue Plan Act (ARPA)

$ 80,828,962.00	Allocation
$49,416,180.05	Expended
$16,346,639.34	Committed

Available funding for these efforts is $31,412,781.95 as of September 30, 2025.

We hope you find this information helpful. We will provide the next quarterly Act 4 report to you in January 2026. In the meantime, please do not hesitate to contact us with questions.

State of Wisconsin

Date: January 30, 2026

To: Members of the Joint Committee on Finance and Joint Committee on Information Policy and Technology

From: Department of Administration Secretary Kathy Blumenfeld Kathy Blumenfeld

From: Department of Workforce Development Secretary Amy Pechacek

Subject: 2021 Wisconsin Act 4 Quarterly Report – Fourth Quarter 2025

Pursuant to 2021 Wisconsin Act 4, under Wis. Stat. s. 108.14(27)(e), this report serves to update you on the progress the Department of Workforce Development (DWD) has made on its project to improve the information technology (IT) systems used for processing and paying claims for unemployment insurance (UI) benefits from October 1 to December 31, 2025.

Overview of Modernization of UI Systems

As DWD begins its 2026 modernization efforts, we thought it would be informative to recap the progress that has been made to date. DWD's ongoing modernization efforts have produced results that place Wisconsin **among the strongest-performing UI programs in the nation**. These efforts have significantly improved fraud prevention, strengthened communications, enhanced claimant resources, and leveraged technology to speed up processing, all while consistently exceeding or meeting federal timeliness and quality standards.

Leading up to the enactment of Act 4 in early 2021, delays in benefit payments during the pandemic were unfortunately common across the country. Legacy UI systems, largely unchanged for decades, were never designed to absorb the unprecedented volume of claims triggered by COVID-19. During 2020 alone, DWD processed more weekly claims than the prior four years combined. The benefit administration system in place in UI at the onset of the pandemic dated back to the 1970s.
To immediately address the avalanche of claims filed during the pandemic, upon assuming leadership of DWD in September of 2020, Secretary Pechacek brought in Google (via a contract with Carahsoft) to help address the backlog of more than 770,000 claims. Within weeks, innovative tools and predictive analytics enabled DWD to clear the backlog and accelerate payments to eligible claimants. Wisconsin's cutting-edge use of artificial intelligence technology – years before this tool was commonplace – has been internationally recognized and widely praised for its ingenuity and thought-leadership and is a celebrated example of public-private partnerships for large-scale public benefit.

As you know, DWD began its benefits systems modernization projects in early 2021, using the "iterative process" defined by incremental, flexible, and feedback-driven improvements. Wisconsin, once again, became the national leader for setting the standard in how to overcome generational, legacy technical debt in a modular approach that allows for faster incremental updates to be deployed to the public. This approach, and Wisconsin's priorities of fraud prevention, timely benefit processing, and accessibility became the model that the Biden Administration replicated nationally as the preferred method for other states to emulate in order receive further federal modernization grants.

One DWD's first iterative modernization projects was a cloud-based Customer Call Center that provided an omnichannel web-based call delivery system that provides greater flexibility for agents in taking and responding to calls and in monitoring those calls. Since that time, DWD has undertaken various projects to modernize the suite of Wisconsin's Unemployment Insurance (UI) systems. These efforts include modernization projects far beyond the required scope of UI's information technology systems used for processing and paying claims for benefits, as required by Act 4. UI modernization has also included advanced security features to assist in preventing and identifying UI fraud.

These projects have been supported by federal American Rescue Plan Act (ARPA) funds, including $80 million in State and Local Fiscal Recovery Funds (SLFRF) and $29 million in U.S. Department of Labor (DOL) grants. **The cost of updating half-century-old, under-maintained IT systems is substantial**. These projects reflect the market rate to overcome generations of disinvestment. For this reason, DWD has strongly and consistently advised federal and state policymakers that technology funding must be ongoing to prevent future large-scale failures. The high project costs are the consequences of deferring system upgrades for 50 years.

Part of those federal U.S. DOL ARPA funds were to address UI's employer portal. Using $11.25 million of the U.S. DOL funds, DWD partnered with outside experts to modernize the employer portal, address technical limitations of the current system, and expand opportunities for communication between employers and the state. The modern employer portal would improve communication between DWD and its customers for tax and wage reporting, employer information and support, responding to submitted unemployment insurance claims verification, and appeal activities all in a secure setting. Unfortunately, without advance notice, on May 22, 2025, U.S. DOL terminated $29 million of DWD's modernization grants. DWD was part of the Trump Administration's termination of $675 million in ARPA grants awarded to UI programs in over 30 states and territories. Vendors working on UI modernization had to end their work before the product was complete. Suspending work on a coding project to turn Nixon-era mainframe systems into something based in modern software is not like stopping construction of a stone fence between fields – it's more like putting aside a half-inflated balloon. The Trump Administration's decision to pull funding from UI modernization projects turned partially completed software contracts into sunk costs, effectively wasting many months and hundreds of millions of dollars nationally.

DWD immediately requested U.S. DOL to reverse its termination of Wisconsin's grants, citing the modernization delay and wasted use of spent resources that would be a consequence of the termination. Gov. Evers further demanded reversal from the Trump Administration, urging them to reconsider causing an unnecessary and grievous wound on the momentum and progress of these critical projects. The Trump administration has failed to reverse these damaging cuts, despite their impact to UI modernization, fraud prevention, and efficient service to the people of Wisconsin. Wisconsin has also joined other states in lawsuit to declare the termination of its grants outside of the Trump administration's authority and to declare the action unlawful. But as of today, there has been no reversal, and the lost time and resources have upended DWD's efforts to provide employers with a state-of-the-art modern portal. Notably, DWD will continue its work on the employer portal to improve ease of use and access to employers, but DWD will need to use ARPA-SLFRF funds (rather than using the U.S. DOL funds that were awarded)—necessitating the need to scale back the project.
While the $80 million ARPA-SLFRF modernization funds are not impacted by the Trump Administration's actions, those funds are insufficient to support the full modernization work and integration of UI IT systems in a cloud-based environment. The UI IT systems, including monetaries, correspondence, adjudication, audit and QA, appeals, and employer portal, are complex and interdependent of each other. All components must be updated before the systems can be fully cloud-based. When DWD has sufficient resources to convert the code for all interconnected UI systems, it will be poised to migrate fully to cloud-based system.

Modernization Accomplishments to Date

Despite this setback handed to states by the Trump Administration, DWD is committed to improving UI with the resources available. In fact, the accomplishments to date have profoundly impacted the ease of use for DWD's stakeholders:

- Artificial Intelligence augmentation to fraud screen tool advancements;
- A cloud-based omni-channel contact center;
- Virtual customer service agents that are available 24 hours a day, 365 days a year, to answer common questions in English and Spanish;
- An online chatbot that can answer common questions in English, Spanish, and Hmong;
- Fraud detection through LexisNexis and National Association of State Workforce Agencies' Integrity Data Hub;
- An online filing process and document upload capability that uses AI to enter data instead of manual data entry;
- Secure online messaging with adjudicators;
- Translation of the UI application into plain language;
- A dashboard showing initial and weekly claims by county;
- An adjudication scheduler;
- ID Proofing;
- Knowledge base tool implementation; and
- Accessibility assessments

UI Performance Successes Since the Pandemic

Even with all of these successful efforts and achievements, another way to consider Wisconsin's UI system is to look at DWD's performance and timeliness metrics, which UI is required to report to U.S. DOL. These metrics include:

- Speed of payment: Since modernizing the claimant portal, DWD has consistently paid 88% of regular UI claims within **three days or less** of the claim being filed.
- Duration of claims: Wisconsin consistently ranks **among the top five states** with the lowest exhaustion rate. This means many Wisconsin UI claimants stop filing for benefits before they receive their maximum amount of benefits, a reflection of robust re-employment services offered by DWD. Since 2023, Wisconsin has been among the states with the shortest average paid duration of a UI claim. Eligible claimants can receive benefits for up to 26 weeks, but Wisconsin's average duration of paid weeks is consistently less than 13 weeks.
- Average wait for appeal: This measure represents the average number of days claimants who are appealing their initial determination wait before receiving hearing. From January through June of 2025, the average wait was 14.5 days. **Wisconsin ranks 9th of the 53 State Workforce Agencies** in this metric.

Strength of UI Fraud Prevention

Another important measure of how DWD is performing is UI's fraud prevention measures. In addition to taking steps to prevent fraud, DWD has also implemented increasingly sophisticated measures to detect fraudulent activity through crossmatches and audits. Over the past five years, more than 30 program integrity projects and activities have been adopted, expanded, and initiated to strengthen the UI program. The work does not end there. DWD's strong collection program also recovers a considerable portion of overpayments when they do occur.

DWD's UI Division tracks instances where individuals are blocked from the UI Claimant Portal as one method to quantify fraud prevention. In 2023, the division identified 52,154 instances of potential "bad actors." These preventive measures include 15,266 instances of failed address verification, 19,201 instances of failed identity verification, and 17,687 instances of blocks based on other information technology measures.

Wisconsin participates in the National Association of Workforce Agencies' (NASWA) Integrity Data Hub (IDH). The IDH is a multistate data system that crossmatches and analyzes UI data provided by states across the country. The IDH flags claims with potential eligibility or fraud issues in Wisconsin and makes the results available for review by division staff. These issues include claims with suspect identity fraud, suspect IP addresses, suspect bank accounts, or claims filed in multiple states. Potential eligibility or fraud issues identified by the IDH may or may not be duplicative of other detection methods used by the division. The IDH serves as a useful tool in DWD's layered approach to fraud detection and prevention.

Additional fraud prevention approaches used by DWD include:

- Employer audits, which resulted in additional employer assessments of $4,815,779 in unpaid UI taxes and $778,466 in interest in 2024.
- Employer complaints and public tips on suspected fraudulent claims.
- Contact with local, state, and federal law enforcement officers about suspicious activities.
- Analyzing Form 1099 data provided by the Internal Revenue Service to identify and investigate employers who may be misclassifying employees as independent contractors.
- Sophisticated fraud monitoring tools provided by the department's financial institution, which allow the department to monitor, predict, and respond quickly to suspected fraudulent activity.
- Quarterly meetings with other state agencies to discuss fraud trends and cases of mutual interest. The information shared in these meetings helps to detect, investigate, and prevent fraud from occurring across agencies.
- Benefit Payment Notices sent to employers informing them of who is receiving UI benefits from their account.
- Review of employer tax and benefit charge information to detect potential fictitious employers.
- Cross-referencing the payee name and dollar amount on all UI checks presented for payment with the same information on the department's disbursement file. Any check that does not match is rejected and not honored by the department's financial institution.
- Blocking individuals from using the department's bank account number to initiate unauthorized electronic funds transfers.
- US DOL has named two of the department's strategies to improve the accuracy of claim decisions using technology as "promising practices" that include a pop-up message warning a certain subset of claimants to be honest and forthcoming in the initial claims process. This, in turn, helps prevent future overpayments from occurring. US DOL will encourage other states to consider adopting the following overpayment prevention.

<u>Current Update: Fourth Quarter 2025</u>

As previously reported, to best position itself to modernize the interconnected UI systems, DWD will be focusing on converting to modern code "on premise" rather than in the cloud. DWD will continue to develop the monetaries and other modules on premise with a focus on modern coding language that is more flexible and adaptable. The work on the rescaled projects for this quarter include:

1. **Modernization of the benefits systems:**

   Manual Processing Reduction: This project takes claims the legacy system can't handle through a modern module and returns the answer to the legacy system to accelerate the claim determination process. DWD identified the manual-processed claims that will be managed by an automated process. This prevents the accumulation of claims requiring hours of manual analysis and processing. The validation and calculation steps for this process continue.

   Modern Coding Language: This effort modernizes and makes consistent the code for three applications to increase features and improve efficiency. DWD has awarded a contract for technical resources to assist with upgrading the coding language to support the outward facing Claimant Portal and the internal facing Worker Portal and UIBNET, which are used by staff to process claims.

2. **Modernization of the employer systems:**

   Employer Portal: The project makes code upgrades to retain existing functionality and incorporates modern features Wisconsin employers need to maintain efficiency and flexibility, in a user-friendly format. DWD has awarded a contract for the work to upgrade the coding language that supports the existing Employer Portal and to outline the screen design for the new solution based on human centered design principles. During this quarter, DWD completed code that will allow electronic forms to capture information directly from employers, developed secure messaging functionality for employers to exchange messages with DWD staff, and automated the addition of due dates for required items as they are sent out to the employer. DWD also made improvements to the Employer Portal registration design to improve the content and order of the questions and streamlined the document upload process. Finally, DWD began integrating MyWisconsin ID into the Employer Portal application, which will improve security at entrance to the portal.

Sample Screenshots

Below are sample screenshots of the electronic forms for the newly developed employer portal. These screens were created to best serve employers. As the project continues, DWD will seek stakeholder feedback to continually enhance the employer experience..

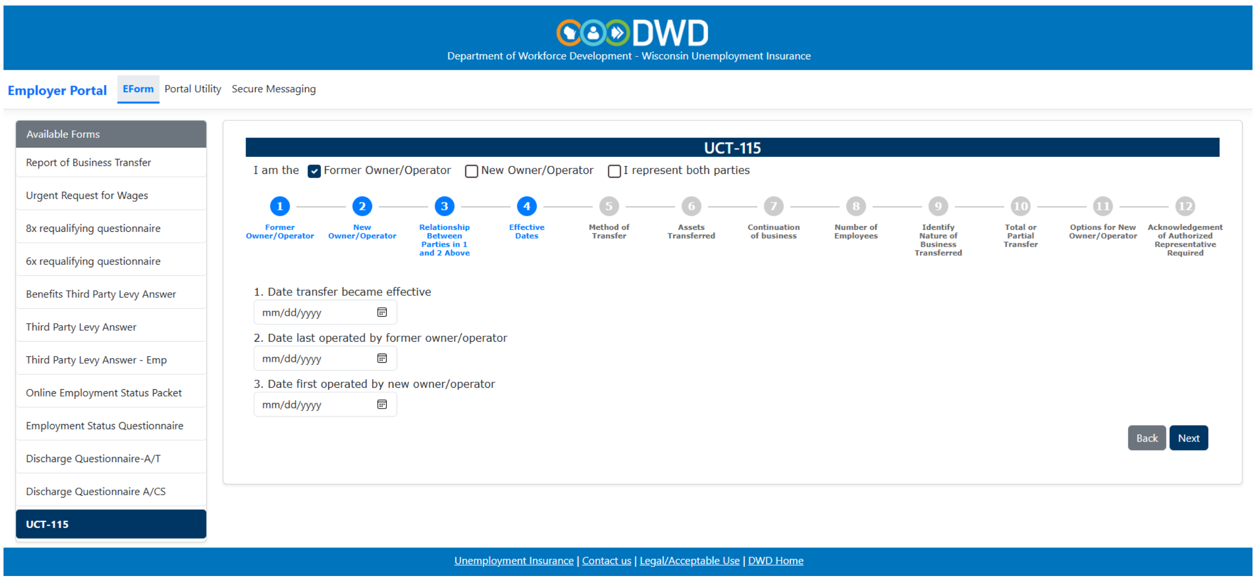


Image 1. Electronic Forms Sample: "Report of Business Transfer" (UCT-115) in electronic format outlining the steps necessary to complete the form.

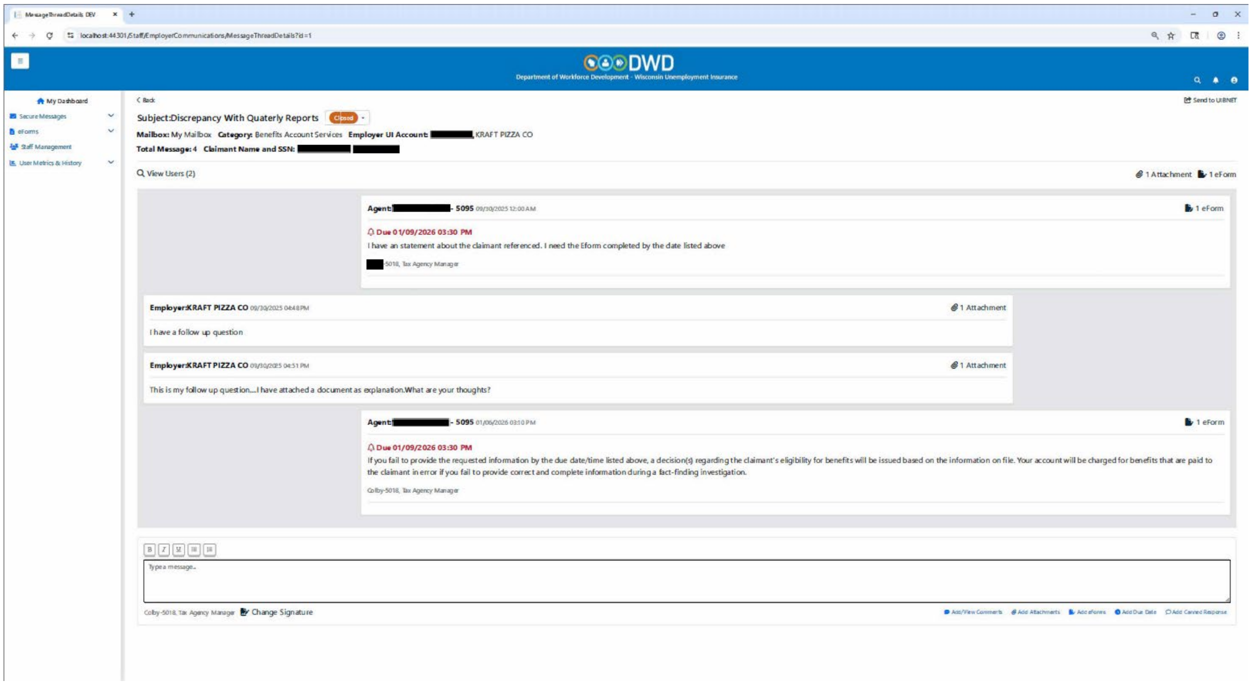


Image 2. Secure Messaging: Showcasing communication between and employer and a staff person, along with the ability to send attachments and electronic forms.

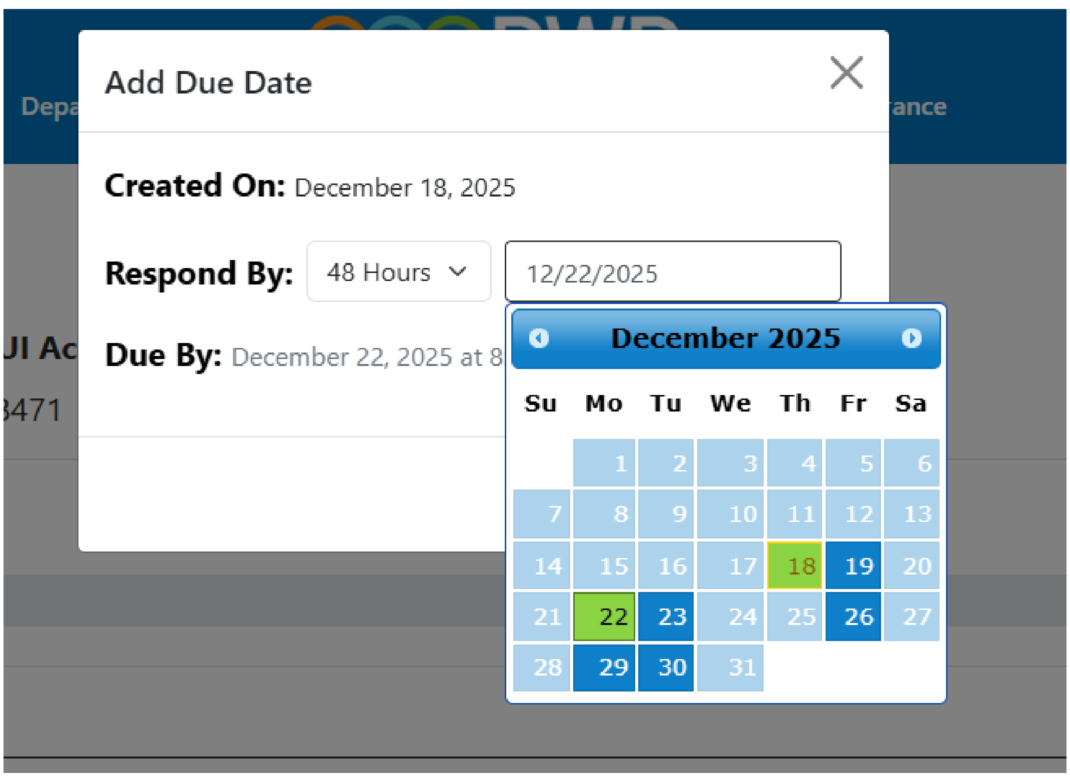


Image 3. Secure Messaging Due Date: Showcases the feature to add a due date for a secure messaging response.

UI Account Number Expansion: This work increases the number of employers that can participate in UI and pay their taxes associated with it by fixing current system limitations. DWD has no update on this project for this quarter.

Status of Project Funding

To keep the Committees apprised of the resources being used and the cost of modernizing UI's information technology systems used for processing and paying claims for benefits, the following provides a funding overview for that project:

State and Local Fiscal Recovery Funds (SLFRF) under American Rescue Plan Act (ARPA)

$ 80,828,962.00	Allocation
$50,836,347.22	Expended
$6,434,359.57	Committed

Available funding for these efforts is $23,558,255.21 as of December 31, 2025.

Conclusion

Unemployment insurance is an earned benefit that Wisconsin workers have relied on since the state's first check was issued in 1936. The loss of federal funding to complete the modernization projects underway hurt DWD's efforts to combat fraud, serve the public, and reduce burdens to businesses. Nonetheless, as described above, DWD will continue to administer the law and look at every available option to improve the efficiency and effectiveness of program with the resources at its disposal.

We hope you find this information helpful. We will provide the next quarterly Act 4 report to you in April 2026. In the meantime, please do not hesitate to contact us with questions.

UI Reserve Fund Highlights

February 19, 2026

1. Benefit payments through December 2025 declined by $35.5 million or 9.7% when compared to benefits paid through December 2024.

Benefits Paid	**2025 YTD*** *(in millions)*	**2024 YTD*** *(in millions)*	**Change** *(in millions)*	**Change** *(in percent)*
Total Regular UI Paid	$331.2	$366.7	($35.5)	(9.7%)

2. Tax receipts through December 2025 declined by $52.4 million or 9.4% when compared to tax receipts through December 2024.

Tax Receipts	**2025 YTD*** *(in millions)*	**2024 YTD*** *(in millions)*	**Change** *(in millions)*	**Change** *(in percent)*
Total Tax Receipts	$502.6	$555.0	($52.4)	(9.4%)

3. The December 2025 Trust Fund ending balance was over $2.1 billion, an increase of 13.0% when compared to the same time last year.**

UI Trust Fund Balance	**December 2025 (in millions)**	**December 2024 (in millions)**	**Change** *(in millions)*	**Change** *(in percent)*
Trust Fund Balance	**$2,103.7**	$1,861.9	$241.8	13.0%

4. Interest earned on the Trust Fund is received quarterly.

UI Trust Fund Interest	**2025 YTD*** *(in millions)*	**2024 YTD*** *(in millions)*	**Change** *(in millions)*	**Change** *(in percent)*
Total Interest Earned	$66.0	$53.1	$12.9	24.3%

*All calendar year-to-date (YTD) numbers are based on the December 31, 2025 Financial Statements.

**If the UI Trust Fund balance is $1.2 billion or more on June 30, Schedule D applies for the following year. The UI Trust Fund balance was over $2.0 billion as of June 30,2025 and therefore Schedule D will continue to be in effect for 2026 tax year.

FINANCIAL STATEMENTS

For the Month Ended December 31, 2025

Unemployment Insurance Division

Bureau of Tax and Accounting

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
BALANCE SHEET
FOR THE MONTH ENDED December 31, 2025

	CURRENT YEAR	PRIOR YEAR
ASSETS		
CASH:		
U.I. CONTRIBUTION ACCOUNT	(730,556.92)	39,926.05
U.I. BENEFIT ACCOUNTS	143,291.76	80,478.79
U.I. TRUST FUND ACCOUNTS (1) (2) (3)	2,140,992,432.12	1,911,815,725.16
TOTAL CASH	2,140,405,166.96	1,911,936,130.00
ACCOUNTS RECEIVABLE:		
BENEFIT OVERPAYMENT RECEIVABLES	158,298,553.19	174,094,234.25
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (4)	(53,097,546.25)	(56,760,222.20)
NET BENEFIT OVERPAYMENT RECEIVABLES	105,201,006.94	117,334,012.05
TAXABLE EMPLOYER RFB & SOLVENCY RECEIV (5) (6)	42,413,321.89	32,175,480.55
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (4)	(18,695,749.68)	(21,815,171.89)
NET TAXABLE EMPLOYER RFB & SOLVENCY RECEIV	23,717,572.21	10,360,308.66
OTHER EMPLOYER RECEIVABLES	27,058,285.05	22,759,554.54
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	(8,846,705.08)	(9,319,909.46)
NET OTHER EMPLOYER RECEIVABLES	18,211,579.97	13,439,645.08
TOTAL ACCOUNTS RECEIVABLE	147,130,159.12	141,133,965.79
TOTAL ASSETS	2,287,535,326.08	2,053,070,095.79
LIABILITIES AND EQUITY		
LIABILITIES:		
CONTINGENT LIABILITIES (7)	88,449,442.77	93,312,620.68
OTHER LIABILITIES	25,171,385.44	36,182,837.01
FEDERAL BENEFIT PROGRAMS	207,940.63	1,995,402.77
CHILD SUPPORT HOLDING ACCOUNT	4,549.00	14,093.00
FEDERAL WITHHOLDING TAXES DUE	57,685.00	151,067.00
STATE WITHHOLDING TAXES DUE	1,960,401.61	2,166,487.94
DUE TO OTHER GOVERNMENTS (8)	418,679.05	447,624.51
TOTAL LIABILITIES	116,270,083.50	134,270,132.91
EQUITY:		
RESERVE FUND BALANCE	2,996,143,948.73	2,932,229,268.21
BALANCING ACCOUNT	(824,878,706.15)	(1,013,429,305.33)
TOTAL EQUITY	2,171,265,242.58	1,918,799,962.88
TOTAL LIABILITIES AND EQUITY	2,287,535,326.08	2,053,070,095.79

1. $284,585 of this balance is for administration purposes and is not available to pay benefits.

2. $1,385,619 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.

3. $12,093,710 of this balance is Emergency Unemployment Compensation Relief (EUR) reserved exclusively for funding 50% of the benefits paid for Reimbursable Employers for UI Weeks 12/20-14/21 and 75% of the benefits paid for reimbursable employers for UI Weeks 15/21-36/21 per 2103 of the CARES Act, the Continued Assistance Act, and the American Rescue Act.

4. The allowance for uncollectible benefit overpayments is 35.9%. The allowance for uncollectible delinquent employer taxes is 51.0%. This is based on the historical collectibility of our receivables. This method of recognizing receivable balances is in accordance with generally accepted accounting principles.

5. The remaining tax due at the end of the current month for employers utilizing the 1st quarter deferral plan is $145,939. Deferrals for the prior year were $172,850.

6. $23,813,225, or 56.1%, of this balance is estimated.

7. $61,839,357 of this balance is net benefit overpayments which, when collected, will be credited to a reimbursable or federal program. $26,610,086 of this balance is net interest, penalties, SAFI, and other fees assessed to employers; penalties and other fees assessed to claimants; and net LWA overpayments which, when collected, will be credited to the state fund.

8. This balance includes SAFI Payable of $2,118. The 12/31/2025 balance of the Unemployment Interest Payment Fund (DWD Fund 214) is $6,670. Total Life-to-date transfers from DWD Fund 214 to the Unemployment Program Integrity Fund (DWD Fund 298) are $9,610,190.

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
RESERVE FUND ANALYSIS
FOR THE MONTH ENDED December 31, 2025

	CURRENT ACTIVITY	YTD ACTIVITY	PRIOR YTD
BALANCE AT BEGINNING OF MONTH/YEAR:			
U.I. TAXABLE ACCOUNTS	3,486,517,860.32	3,385,346,039.05	3,290,285,224.79
BALANCING ACCOUNT	(1,300,301,545.02)	(1,466,546,076.17)	(1,608,925,132.26)
TOTAL BALANCE	2,186,216,315.30	1,918,799,962.88	1,681,360,092.53
INCREASES:			
TAX RECEIPTS/RFB PAID	1,083,813.41	356,547,516.44	398,518,019.34
ACCRUED REVENUES	(1,489,248.67)	10,710,898.73	(1,169,410.37)
SOLVENCY PAID	243,695.60	146,076,568.47	156,473,499.66
FORFEITURES	0.00	(3,368.00)	976.00
BENEFIT CONCEALMENT INCOME	87,351.89	1,436,544.29	1,659,683.90
INTEREST EARNED ON TRUST FUND	17,320,215.80	65,952,387.50	53,091,007.31
FUTA TAX CREDITS	0.00	(2,637.00)	(3,137.30)
OTHER CHANGES	69,992.02	534,655.60	525,584.81
TOTAL INCREASES	17,315,820.05	581,252,566.03	609,096,223.35
DECREASES:			
TAXABLE EMPLOYER DISBURSEMENTS	27,761,049.01	284,093,629.36	311,076,929.43
QUIT NONCHARGE BENEFITS	3,156,383.93	32,564,927.70	40,056,189.42
OTHER DECREASES	159,837.47	(1,083,909.64)	6,362,977.27
OTHER NONCHARGE BENEFITS	1,189,622.36	13,212,638.91	14,160,256.88
TOTAL DECREASES	32,266,892.77	328,787,286.33	371,656,353.00
BALANCE AT END OF MONTH/YEAR:			
RESERVE FUND BALANCE	2,996,143,948.73	2,996,143,948.73	2,932,229,268.21
BALANCING ACCOUNT	(824,878,706.15)	(824,878,706.15)	(1,013,429,305.33)
TOTAL BALANCE (9) (10) (11) (12)	2,171,265,242.58	2,171,265,242.58	1,918,799,962.88

9. This balance differs from the cash balance related to taxable employers of $2,116,040,216 because of non-cash accrual items.

10. $284,585 of this balance is set up in the Trust Fund in one subaccount to be used for administration purposes and is not available to pay benefits.

11. $1,385,619 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.

12. $12,093,710 of this balance is Emergency Unemployment Compensation Relief (EUR) reserved exclusively for funding 50% of the benefits paid for Reimbursable Employers for UI Weeks 12/20-14/21 and 75% of the benefits paid for reimbursable employers for UI Weeks 15/21-36/21 per 2103 of the CARES Act, the Continued Assistance Act, and the American Rescue Act.

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
RECEIPTS AND DISBURSEMENTS STATEMENT
FOR THE MONTH ENDED 12/31/2025

RECEIPTS	CURRENT ACTIVITY	YEAR TO DATE	PRIOR YEAR TO DATE
TAX RECEIPTS/RFB	$1,083,813.41	$356,547,516.44	$398,518,019.34
SOLVENCY	243,695.60	146,076,568.47	156,473,499.66
ADMINISTRATIVE FEE	(0.55)	557.96	317.84
ADMINISTRATIVE FEE - PROGRAM INTEGRITY	5,865.25	3,592,771.20	3,608,609.20
UNUSED CREDITS	180,528.87	11,516,119.35	11,487,647.99
GOVERNMENTAL UNITS	765,942.77	9,384,712.86	8,550,307.63
NONPROFITS	907,340.89	9,544,829.07	10,351,487.92
INTERSTATE CLAIMS (CWC)	198,754.69	3,344,021.79	3,630,503.08
ERROR SUSPENSE	(3,041.15)	(21,285.50)	13,459.74
FEDERAL PROGRAMS RECEIPTS	(1,993.72)	(10,261,970.24)	(10,550,245.61)
OVERPAYMENT COLLECTIONS	1,639,192.68	26,211,597.82	27,380,598.08
FORFEITURES	0.00	(3,368.00)	976.00
BENEFIT CONCEALMENT INCOME	87,351.89	1,436,544.29	1,659,683.90
EMPLOYER REFUNDS	(6,154,836.52)	(23,799,348.31)	(16,150,108.33)
COURT COSTS	49,919.48	643,618.30	641,719.04
INTEREST & PENALTY	171,960.40	4,495,025.64	4,564,542.13
CARD PAYMENT SERVICE FEE	3,860.22	50,783.81	48,471.44
LWA O/P - I&P TFR IN FROM FEDERAL PROGRAM RECEIPTS	24,509.32	1,720,062.48	0.00
BENEFIT CONCEALMENT PENALTY-PROGRAM INTEGRITY	141,679.05	2,381,833.05	2,804,021.03
MISCLASSIFIED EMPLOYEE PENALTY-PROG INTEGRITY	2,653.22	26,066.50	20,594.59
LEVY NONCOMPLIANCE PENALTY-PROGRAM INTEGRITY	629.12	51,287.18	46,771.06
SPECIAL ASSESSMENT FOR INTEREST	1,635.51	10,261.09	9,974.91
INTEREST EARNED ON U.I. TRUST FUND BALANCE	17,320,215.80	65,952,387.50	53,091,007.31
MISCELLANEOUS	24,225.65	196,221.71	147,810.58
TOTAL RECEIPTS	$16,693,901.88	$609,096,814.46	$656,349,668.53
DISBURSEMENTS			
CHARGES TO TAXABLE EMPLOYERS	$29,097,326.84	$308,276,997.08	$336,020,830.77
NONPROFIT CLAIMANTS	863,237.91	9,386,366.63	10,177,688.81
GOVERNMENTAL CLAIMANTS	918,768.85	9,113,186.95	8,574,721.50
INTERSTATE CLAIMS (CWC)	290,194.91	2,787,029.84	3,491,748.23
QUITS	3,156,383.93	32,564,927.70	40,056,189.42
OTHER NON-CHARGE BENEFITS	1,338,368.22	13,815,051.70	14,773,436.17
CLOSED EMPLOYERS	11,364.64	4,095.26	(7,450.85)
FEDERAL PROGRAMS			
FEDERAL EMPLOYEES (UCFE)	65,833.03	1,113,856.22	894,092.90
EX-MILITARY (UCX)	23,958.25	298,406.68	252,574.58
TRADE ALLOWANCE (TRA/TRA-NAFTA)	110.00	4,384.58	89,938.53
DISASTER UNEMPLOYMENT (DUA)	1,713.00	1,713.00	0.00
WORK-SHARE (STC)	(74.00)	(1,671.57)	(8,522.62)
FEDERAL PANDEMIC UC (FPUC)	47,678.61	(6,028,353.19)	(8,181,356.70)
LOST WAGES ASSISTANCE $300 ADD-ON (LWA)	(34,409.32)	(488,019.34)	(507,522.80)
MIXED EARNERS UC (MEUC)	200.00	200.00	(200.00)
PANDEMIC UNEMPLOYMENT ASSISTANCE (PUA)	(56,290.50)	(1,022,431.72)	(1,328,612.59)
PANDEMIC EMERGENCY UC (PEUC)	50,791.28	(1,316,429.20)	(1,641,741.33)
PANDEMIC FIRST WEEK (PFW)	(1,319.53)	(27,831.48)	(36,574.59)
EMER UC RELIEF REIMB EMPL (EUR)	(4,461.51)	(147,186.79)	(212,254.05)
2003 TEMPORARY EMERGENCY UI (TEUC)	(417.60)	(10,840.61)	(4,005.90)
FEDERAL ADD'L COMPENSATION $25 ADD-ON (FAC)	(7,467.73)	(103,586.40)	(111,140.72)
FEDERAL EMERGENCY UI (EUC)	(52,569.85)	(832,533.70)	(911,862.89)
FEDERAL EXTENDED BENEFITS (EB)	3,200.54	(59,958.40)	(92,606.59)
FEDERAL EMPLOYEES EXTENDED BEN (UCFE EB)	0.00	(971.87)	(3,300.00)
FEDERAL EX-MILITARY EXTENDED BEN (UCX EB)	0.00	(441.10)	(349.08)
INTERSTATE CLAIMS EXTENDED BENEFITS (CWC EB)	0.33	(2,145.45)	(888.51)
INTEREST & PENALTY	353,936.70	4,529,114.21	4,611,806.12
CARD PAYMENT SERVICE FEE TRANSFER	2,382.98	50,054.75	49,056.98
LWA O/P - I&P TRANSFER	0.00	1,697,585.58	0.00
PROGRAM INTEGRITY	120,787.42	6,073,576.65	6,492,508.50
SPECIAL ASSESSMENT FOR INTEREST	0.00	9,653.11	14,539.13
COURT COSTS	35,753.86	641,282.48	633,449.54
ADMINISTRATIVE FEE TRANSFER	0.00	590.57	299.68
FEDERAL WITHHOLDING	96,934.00	93,382.00	(170,176.00)
STATE WITHHOLDING	(884,037.61)	206,086.33	(402,331.77)
FEDERAL LOAN REPAYMENTS	0.00	2,637.00	3,137.30
TOTAL DISBURSEMENTS	$35,437,877.65	$380,627,777.50	$412,515,121.17
NET INCREASE(DECREASE)	(18,743,975.77)	228,469,036.96	243,834,547.36
BALANCE AT BEGINNING OF MONTH/YEAR	$2,159,149,142.73	$1,911,936,130.00	$1,668,101,582.64
BALANCE AT END OF MONTH/YEAR	$2,140,405,166.96	$2,140,405,166.96	$1,911,936,130.00

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
CASH ANALYSIS
FOR THE MONTH ENDED December 31, 2025

	CURRENT ACTIVITY	YEAR TO DATE ACTIVITY	PRIOR YTD ACTIVITY
BEGINNING U.I. CASH BALANCE	$2,129,189,367.15	$1,874,111,061.69	$1,627,466,340.60
INCREASES:			
TAX RECEIPTS/RFB PAID	1,083,813.41	356,547,516.44	398,518,019.34
U.I. PAYMENTS CREDITED TO SURPLUS	713,712.21	150,500,839.75	161,546,997.46
INTEREST EARNED ON TRUST FUND	17,320,215.80	65,952,387.50	53,091,007.31
FUTA TAX CREDITS	0.00	(2,637.00)	(3,137.30)
TOTAL INCREASE IN CASH	19,117,741.42	572,998,106.69	613,152,886.81
TOTAL CASH AVAILABLE	2,148,307,108.57	2,447,109,168.38	2,240,619,227.41
DECREASES:			
TAXABLE EMPLOYER DISBURSEMENTS	27,761,049.01	284,093,629.36	311,076,929.43
BENEFITS CHARGED TO SURPLUS	4,510,305.27	47,122,510.01	55,643,490.34
TOTAL BENEFITS PAID DURING PERIOD	32,271,354.28	331,216,139.37	366,720,419.77
EMER UC RELIEF REIMB EMPL EXPENDITURES	(4,461.51)	(147,186.79)	(212,254.05)
ENDING U.I. CASH BALANCE (13) (14) (15)	2,116,040,215.80	2,116,040,215.80	1,874,111,061.69

13. $284,585 of this balance was set up in 2015 in the Trust Fund as a Short-Time Compensation (STC) subaccount to be used for Implementation and Improvement of the STC program and is not available to pay benefits.

14. $1,385,619 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.

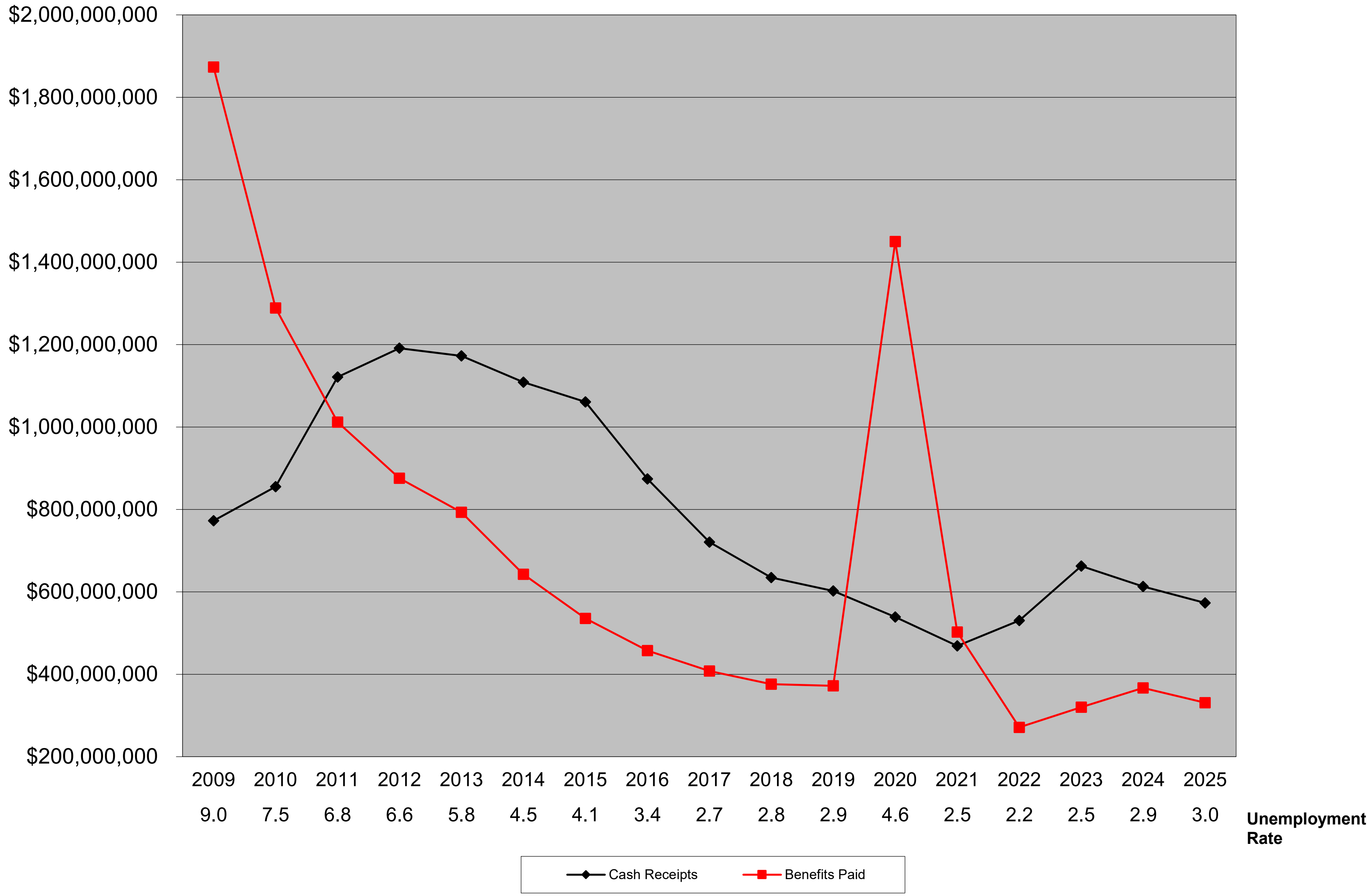
15. $12,093,710 of this balance is Emergency Unemployment Compensation Relief (EUR) reserved exclusively for funding 50% of the benefits paid for Reimbursable Employers for UI Weeks 12/20-14/21 and 75% of the benefits paid for reimbursable employers for UI Weeks 15/21-36/21 per 2103 of the CARES Act, the Continued Assistance Act, and the American Rescue Act.

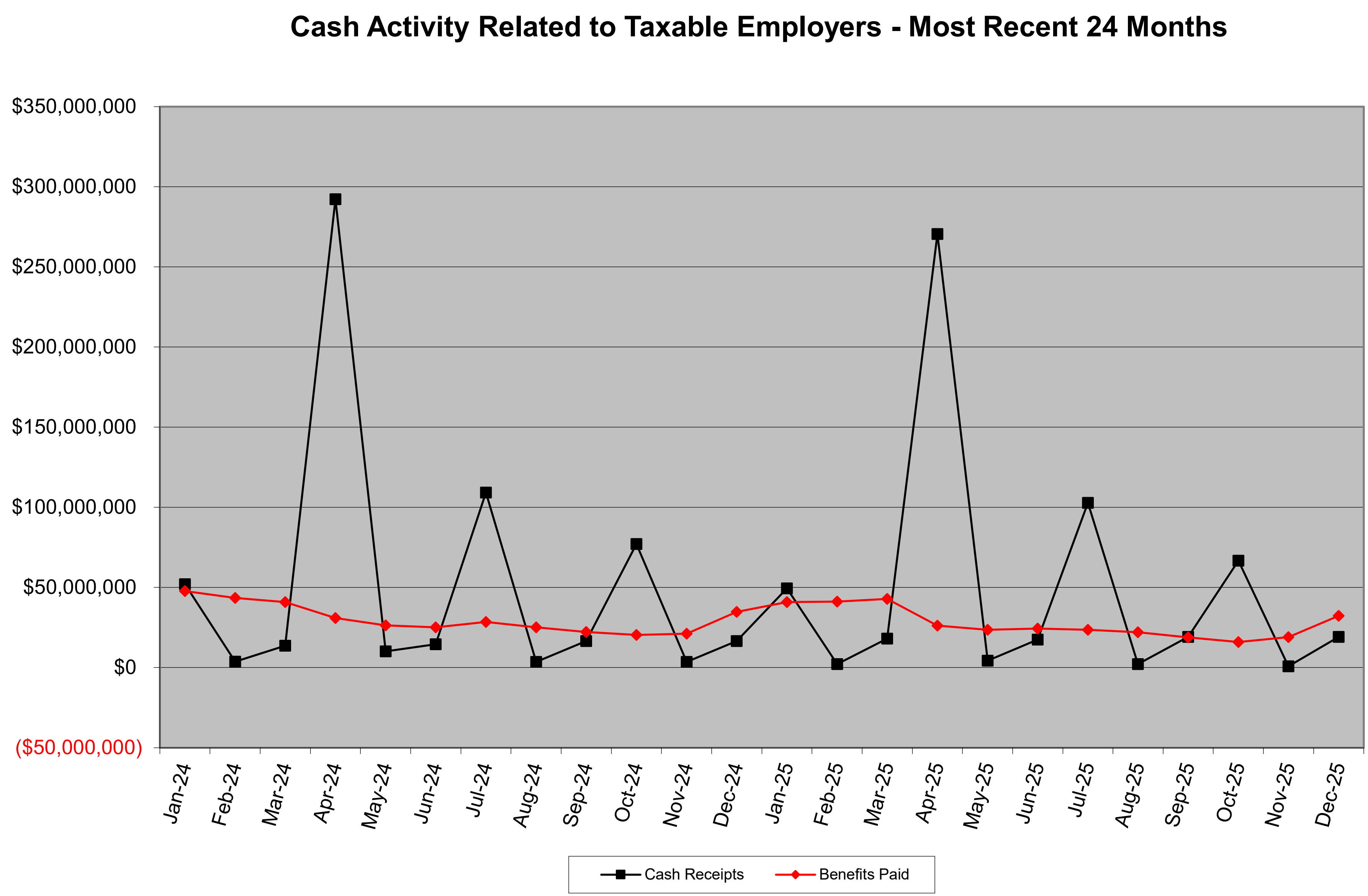
BUREAU OF TAX AND ACCOUNTING
U.I. TREASURER'S REPORT
BALANCING ACCT SUMMARY
FOR THE MONTH ENDED December 31, 2025

	CURRENT ACTIVITY	YEAR TO DATE ACTIVITY	PRIOR YTD ACTIVITY
BALANCE AT THE BEGINNING OF THE MONTH/YEAR	($893,644,921.37)	($1,058,118,206.52)	($1,209,257,177.64)
INCREASES:			
U.I. PAYMENTS CREDITED TO SURPLUS:			
SOLVENCY PAID	243,695.60	146,076,568.47	156,473,499.66
FORFEITURES	0.00	(3,368.00)	976.00
OTHER INCREASES	470,016.61	4,427,639.28	5,072,521.80
U.I. PAYMENTS CREDITED TO SURPLUS SUBTOTAL	713,712.21	150,500,839.75	161,546,997.46
TRANSFERS BETWEEN SURPLUS ACCTS (16)	13,104.19	8,539,206.56	(8,064,660.06)
INTEREST EARNED ON TRUST FUND	17,320,215.80	65,952,387.50	53,091,007.31
FUTA TAX CREDITS	0.00	(2,637.00)	(3,137.30)
TOTAL INCREASES	18,047,032.20	224,989,796.81	206,570,207.41
DECREASES:			
BENEFITS CHARGED TO SURPLUS:			
QUITS	3,156,383.93	32,564,927.70	40,056,189.42
OTHER NON-CHARGE BENEFITS	1,353,921.34	14,557,580.84	15,587,298.92
MISCELLANEOUS EXPENSE	0.00	1.47	2.00
BENEFITS CHARGED TO SURPLUS SUBTOTAL	4,510,305.27	47,122,510.01	55,643,490.34
EMER UC RELIEF REIMB EMPL EXPENDITURES	(4,461.51)	(147,186.79)	(212,254.05)
BALANCE AT THE END OF THE MONTH/YEAR	(880,103,732.93)	(880,103,732.93)	(1,058,118,206.52)

16. The 10% writeoff for 2025 was $31.7 million and is included in this balance. The 10% writeoff shifts employer benefit charges to the balancing account. The 10% writeoff has no effect on receivable balances.

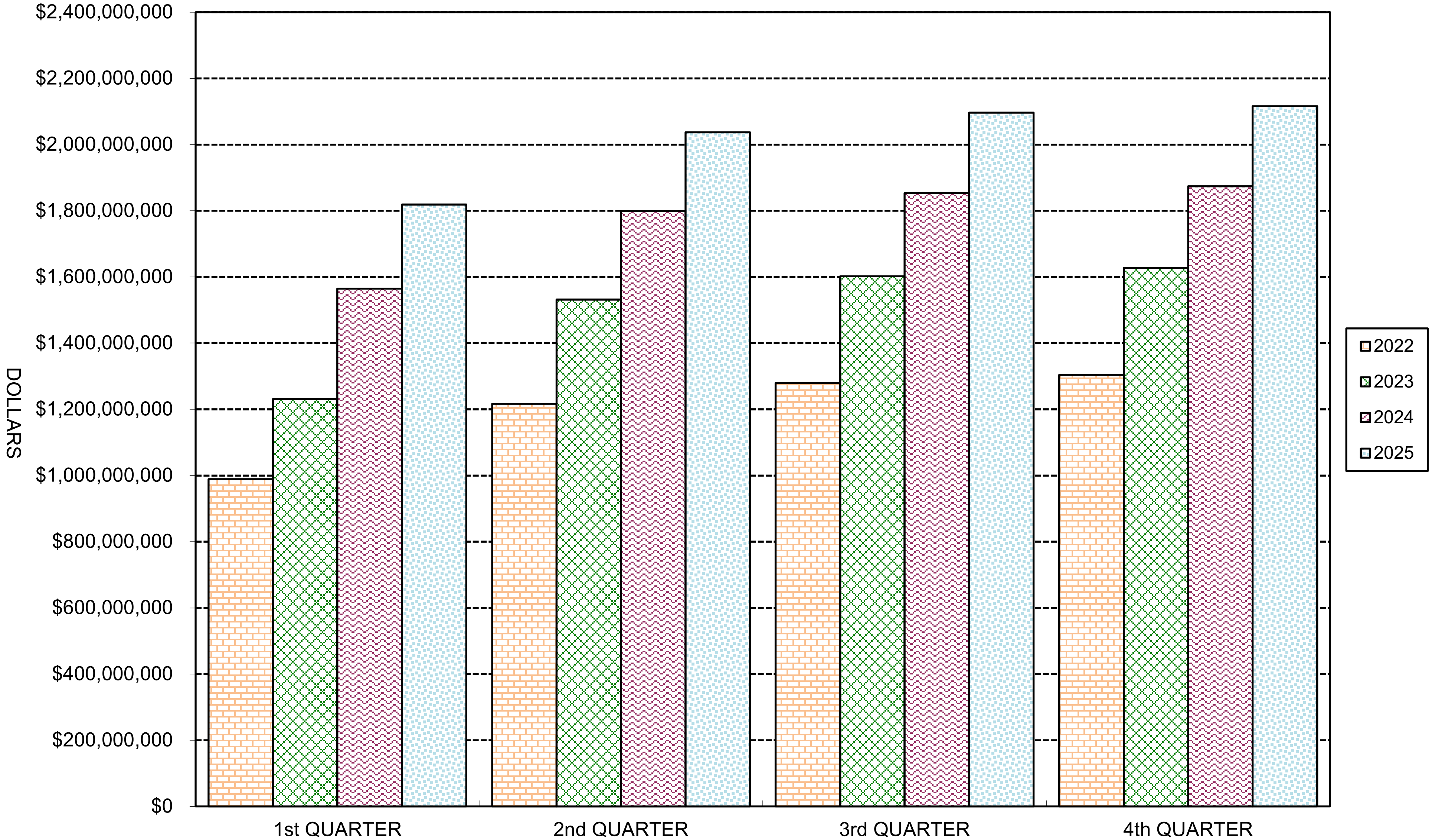
Cash Activity Related to Taxable Employers with WI Unemployment Rate
(for all years from January to December)

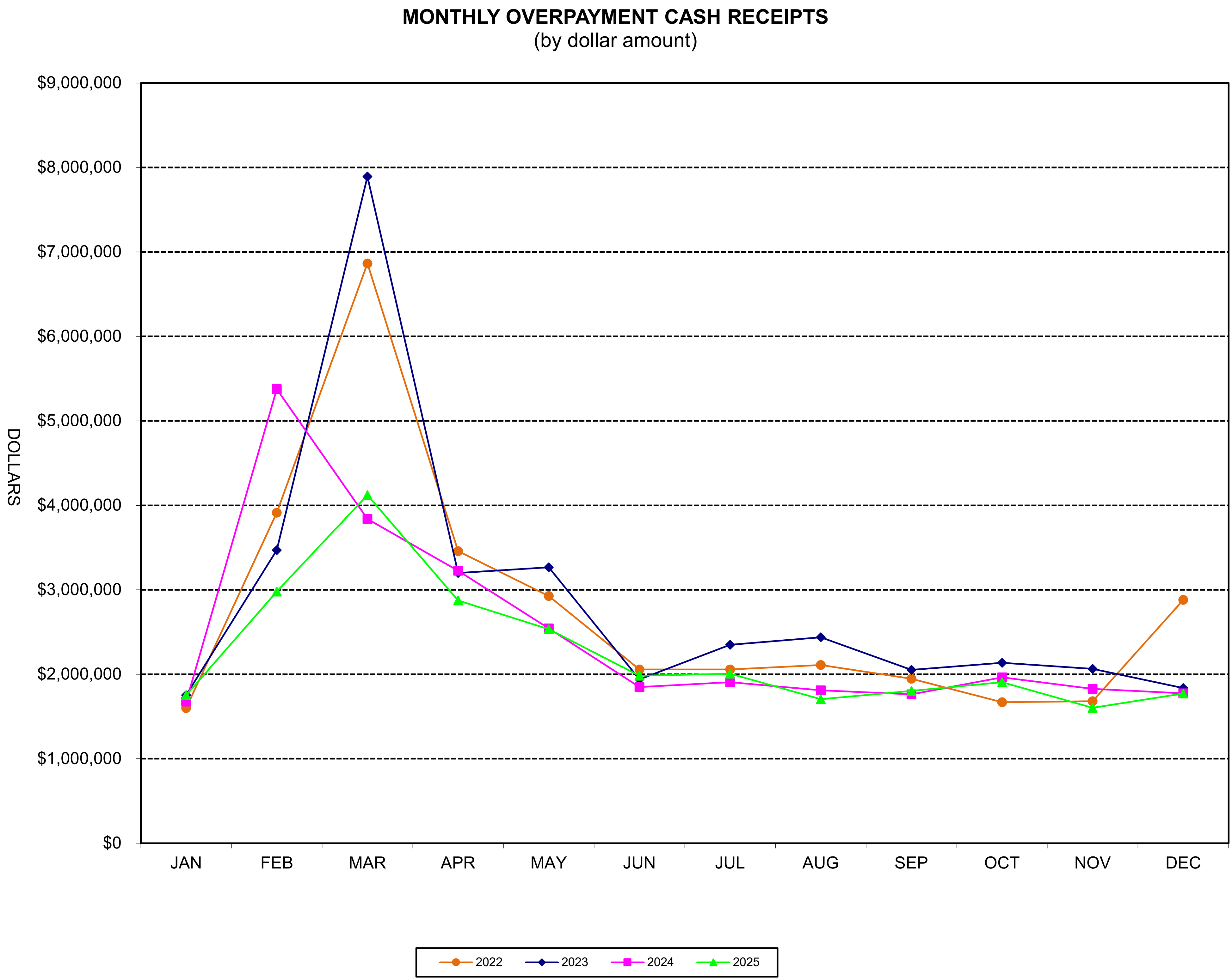




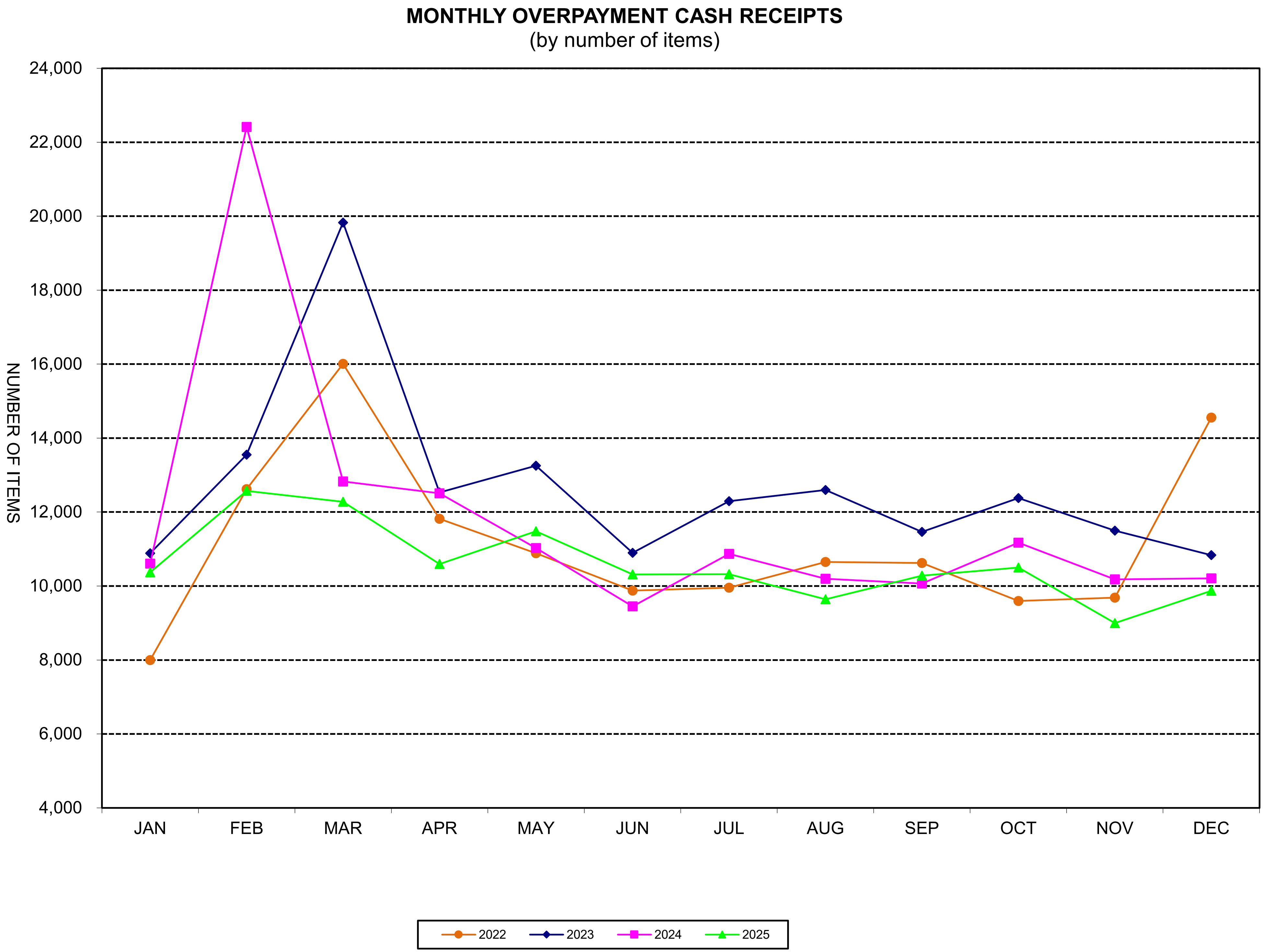
Cash Activity Related to Taxable Employers - Most Recent 24 Months
$350,000,000
$300,000,000
$250,000,000
$200,000,000
$150,000,000
$100,000,000
$50,000,000
$0
($50,000,000)
Jan-24
Feb-24
Mar-24
Apr-24
May-24
Jun-24
Jul-24
Aug-24
Sep-24
Oct-24
Nov-24
Dec-24
Jan-25
Feb-25
Mar-25
Apr-25
May-25
Jun-25
Jul-25
Aug-25
Sep-25
Oct-25
Nov-25
Dec-25
Cash Receipts
Benefits Paid

CASH BALANCE RELATED TO TAXABLE EMPLOYERS

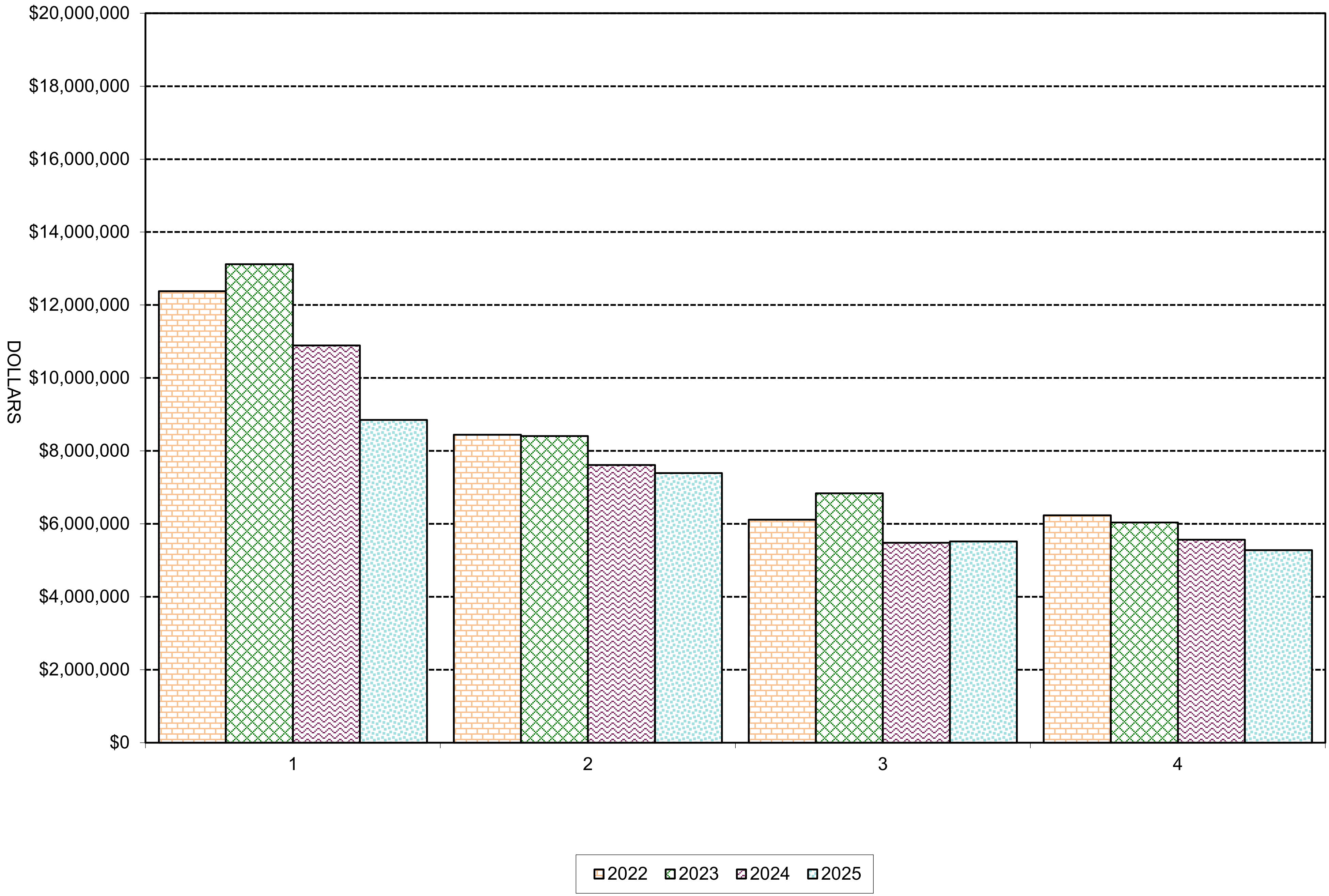


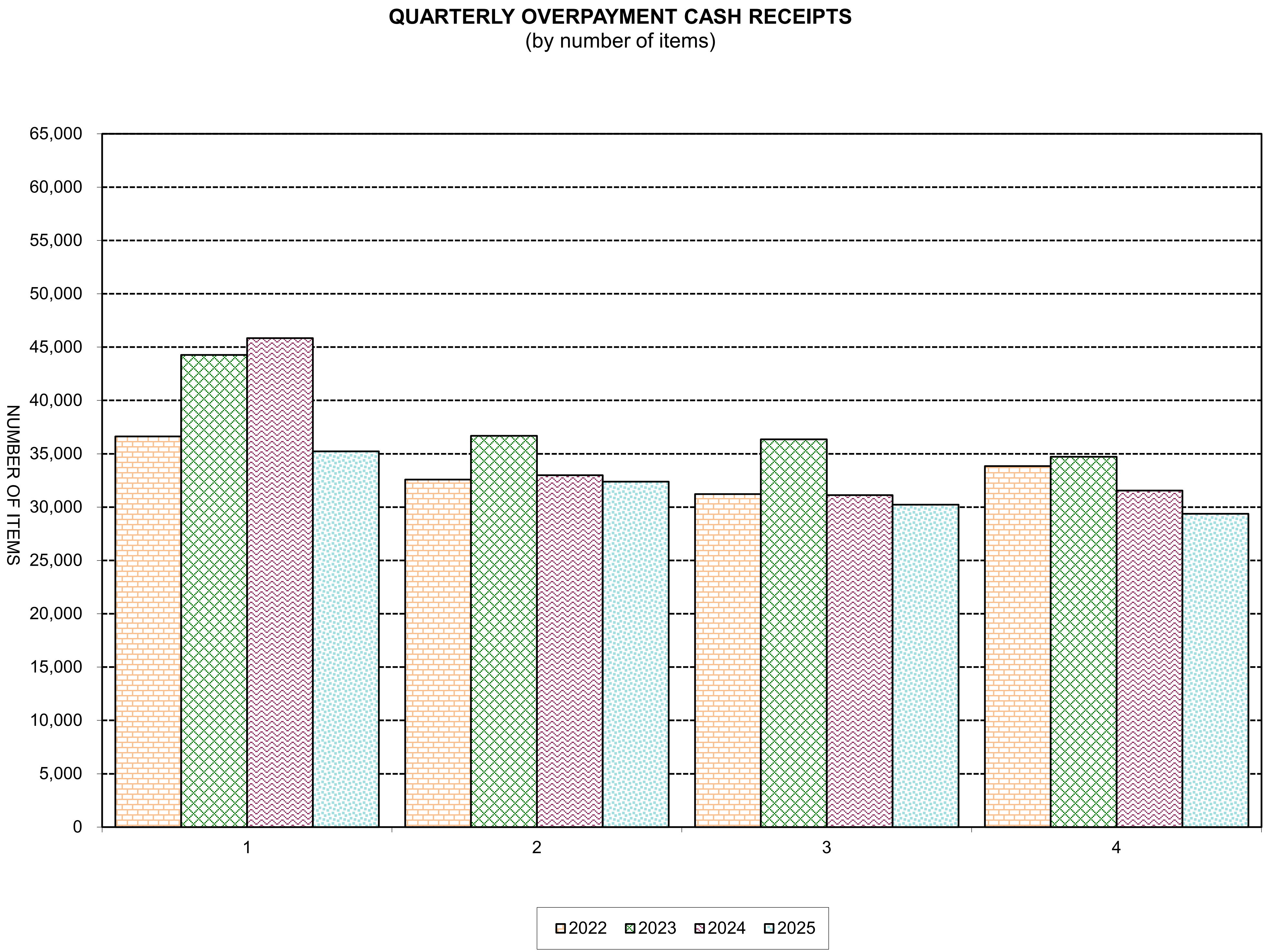


MONTHLY OVERPAYMENT CASH RECEIPTS
(by dollar amount)
DOLLARS
$9,000,000
$8,000,000
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$0
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
2022
2023
2024
2025

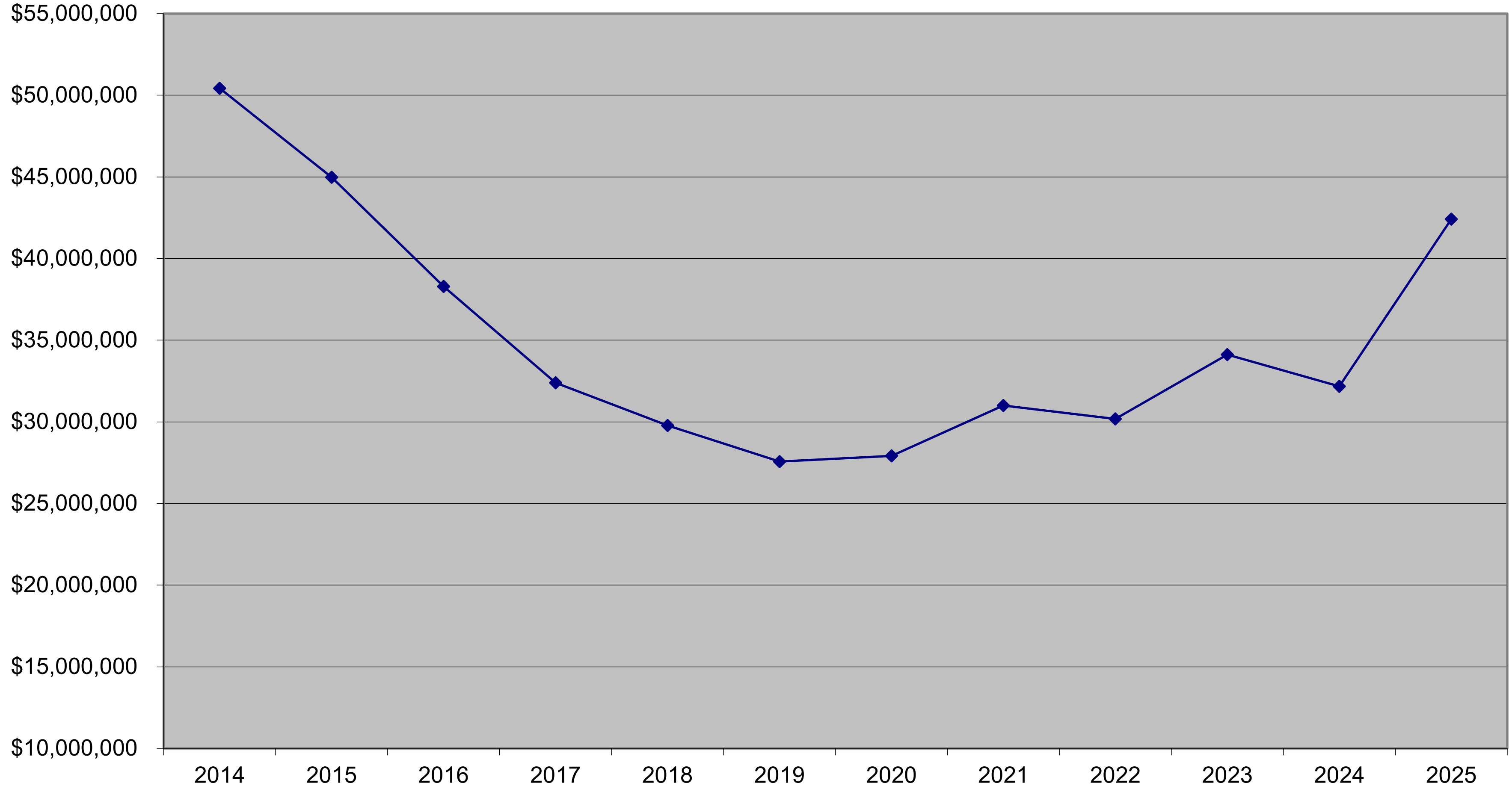

MONTHLY OVERPAYMENT CASH RECEIPTS
(by number of items)
NUMBER OF ITEMS
24,000
22,000
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
2022
2023
2024
2025

QUARTERLY OVERPAYMENT CASH RECEIPTS
(by dollar amount)



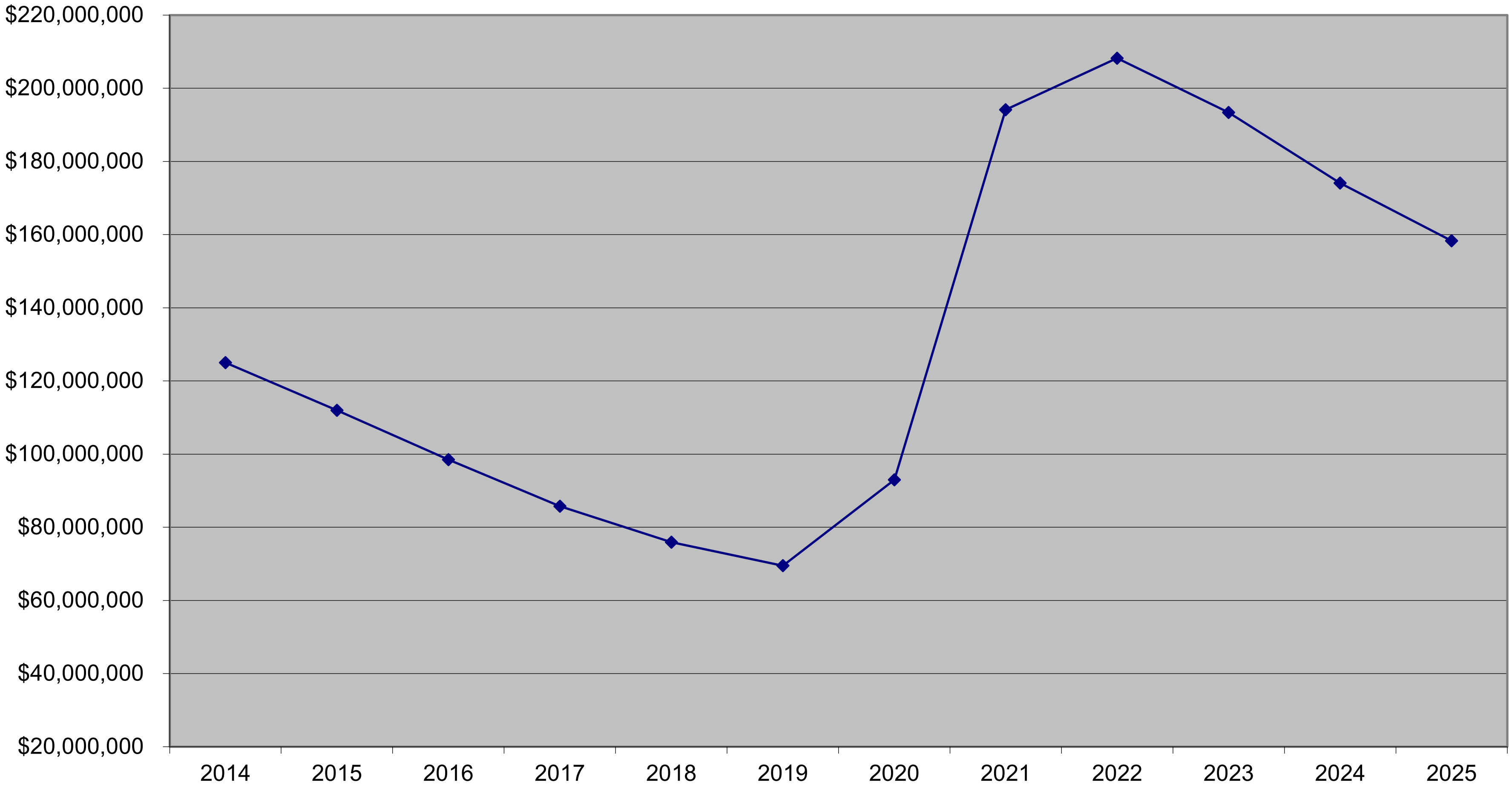

QUARTERLY OVERPAYMENT CASH RECEIPTS
(by number of items)
NUMBER OF ITEMS
65,000
60,000
55,000
50,000
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
1
2
3
4
2022
2023
2024
2025

TOTAL TAXABLE EMPLOYER RFB & SOLVENCY RECEIVABLES
(for all years as of December)



Source: Monthly Balance Sheet

TOTAL BENEFIT OVERPAYMENT RECEIVABLES
(for all years as of December)



Source: Monthly Balance Sheet

Unemployment Insurance Advisory Council Activities Report

2026

Representing the interests of employers and workers to improve Wisconsin's UI laws since 1932

Amy Pechacek, Secretary
Department of Workforce Development
January 2026

UCD-16480-P (R. 01/2026)

January 30, 2026

The Honorable Tony Evers
Office of the Governor
115 East, State Capitol Building
Madison, WI 53702

Wisconsin State Legislators
State Capitol Building
Madison, WI 53702

Dear Gov. Evers and Members of the Legislature:

The Department of Workforce Development (DWD) is pleased to present the 2026 report on activities of Wisconsin's Unemployment Insurance Advisory Council (UIAC).

Wisconsin's thriving economy rests on a long tradition of collaboration among employers, workers, educators, government entities, and community stakeholders. This collaborative spirit has contributed to recent historic economic successes such as a record-low monthly unemployment rates in nine Wisconsin counties in September 2024 and an all-time record high employment of 3,086,700 in December 2024. Meanwhile, Gov. Tony Evers' groundbreaking investment in Wisconsin's workforce through the Workforce Solutions Initiative (WSI) has been extremely successful in removing employment barriers and addressing Wisconsin's ongoing worker quantity challenge. The Workforce Innovation Grant (WIG) program alone has, as of October 2025, served over 87,200 individuals and more than 2,550 businesses, funded construction of approximately 195 housing units, constructed or remodeled approximately 34 training facilities, funded six transportation programs, and five childcare facilities – which created 195 childcare slots.

Wisconsin's tradition of collaboration also is reflected in the Legislature's creation of the Unemployment Insurance Advisory Council almost a century ago. The council advises the Legislature and DWD on matters concerning Wisconsin's Unemployment Insurance (UI) program, and it recommends changes to improve the state's UI law.

Sincerely,

Amy Pechacek, Secretary
Department of Workforce Development

Table of Contents

Introduction

The Unemployment Insurance Advisory Council (UIAC) is created by statute under the administration of the Department of Workforce Development (DWD). The DWD Secretary appoints the members of the UIAC to six-year terms.

This report summarizes the deliberations of the Unemployment Insurance Advisory Council and outlines the position of the council concerning each proposed change to UI law in 2025. This report is prepared by the DWD Secretary and provided to the governor and legislature as required by Wis. Stat. § 16.48(3).

About the Unemployment Insurance Advisory Council

The legislature created the council in 1932 to advise the department and the legislature on policy matters concerning the development and administration of UI law. For over 90 years, the council has acted as a catalyst for labor and management members to work together to ensure stability in the UI system and collaborate on positive changes to enhance the UI program.

The council's main responsibilities are to:[1]

- Advise the department in its administration of UI law;
- Report its views on pending legislation affecting the UI program to legislative committees; and
- Submit its recommended changes to Wisconsin's UI law to the legislature.

The council examines potential UI law changes on an ongoing basis, providing a balanced forum where the interests of both employees and employers are considered. The council's final negotiated recommendations to change UI law are presented to the legislature as an "agreed bill" for the legislature's consideration.

The legislature has traditionally recognized the value of the council process in bringing together the two groups most affected by the UI program: employees and employers. The legislature's support of the council process has helped to ensure Wisconsin's UI law continues to conform to federal requirements, allowing Wisconsin to receive the federal funding necessary to administer the UI program, and for employers to receive federal tax credits.

The council regularly communicates with the legislature about specific issues that impact the UI program. Members of the legislature are encouraged to attend council meetings and present their proposed changes to UI law to the council before introduction.

[1] The council responsibilities are specified in Wis. Stat. § 108.14(5)(a).

Council Membership

The secretary appoints council members to serve six-year terms. The council is composed of five management members representing the interests of employers, and five labor members representing the interests of employees. The management and labor members come from various backgrounds to advocate for the different sectors of Wisconsin's economy. State law requires one management member to be an owner of a small business or represent an association primarily composed of small businesses. In addition to these 10 voting members, a permanent classified employee of the department serves as the nonvoting chair of the council.[2]

Employer Representatives (Management Members)

David Bohl – General Counsel, Stevens Construction Corp.: Term expires Sept. 14, 2027.

Michael Gotzler – Director, Wisconsin Association of Staffing Services: Term expires June 30, 2029.

Scott M. Manley – Executive Vice President of Government Relations, Wisconsin Manufacturers & Commerce: Term expires Aug. 31, 2027.

Jeff Peterson – President, James Peterson Sons, Inc.: Term expires June 30, 2030.

Susan G. Quam (Small Business Representative) – Executive Vice President, Wisconsin Restaurant Association: Term expires June 30, 2029.

Employee Representatives (Labor Members)

Sally Feistel – Sub District Director, United Steelworkers District 7: Term expires May 31, 2026.

Corey Gall – President, Wisconsin Pipe Trades Association: Term expires Aug. 31, 2027.

Shane Griesbach – Business Representative, International Union of Operating Engineers Local 139: Term expires June 30, 2029.

Crystal Martzall – Chief of Staff, SEIU Wisconsin: Term expires June 30, 2030.

Kent Miller – President/Business Manager, Wisconsin Laborers District Council: Term expires June 30, 2030.

Chair (non-voting)

Janell Knutson – Director, Bureau of Legal Affairs, UI Division, State of Wisconsin Department of Workforce Development.

[2] Wis. Stat. § 15.227(3)

Council Procedures

Business Meetings

During the biennial term, council members negotiate proposed changes to Wisconsin's UI law, review administrative rules drafted by the department, and evaluate unemployment-related legislation proposed by lawmakers. The council typically meets monthly to allow labor and management the opportunity to exchange ideas and opinions so the interests of employers and employees are represented and considered. Council meetings are open to the public, and notice is provided under Wisconsin's open meetings law. In addition to the public portion of the meetings, management and labor members can convene in separate, closed caucus sessions to discuss potential law changes.[3]

The Chair leads council meetings and, generally, presents departmental proposals to change UI law to the council for review. Departmental proposals traditionally include an analysis and rationale of each suggested law change with a description of the change; the history and background of current law; potential federal conformity issues; the policy and fiscal effects; and the administrative feasibility and effect of the proposal. Council members deliberate department proposals, their own proposals, and any unemployment-related bills pending in the legislature. Action on any matter requires the approval of seven out of ten voting council members.[4]

Public Hearing

Agreed bill proposals are developed based on input from various sources including employer representatives, employee representatives, legislators, the department, and the public. Each biennium, the council holds a statewide hearing for the public to suggest possible changes to the UI program.

Before the public hearing, the council invites written comments on potential UI law changes. The public can send suggestions to the department by letter or email to a dedicated account. The department compiles all comments submitted directly or at the public hearing to present to the council. The council considers the public comments as they develop potential reform ideas for the upcoming agreed bill. The latest public hearing was held in November 2024 and the council factored the public's input into the UI law changes included in the most recent agreed bill.

Law Changes Enacted During the Reporting Period

State Law Changes

One state law change was enacted during the reporting period: 2025 Wis. Act 15 (2025-2027 Budget Act), the state budget bill. Act 15 created Section 165.25(22m) of the statutes and requires the Wisconsin Department of Justice (DOJ) to meet with the Department of Workforce Development (DWD) and the Department of Revenue (DOR) at least quarterly and report annually in writing to those departments on its

[3] Closed caucus sessions are permissible under Wis. Stat. § 19.85(1)(ee).
[4] Wis. Stat. § 108.14(5)(ag)

investigations and prosecutions of worker misclassification and payroll fraud. The reports are also sent to the appropriate standing committees of the legislature. The DOJ must also report to the council and the Worker's Compensation Advisory Council (WCAC) about the investigations and prosecutions upon request.

Federal Law Changes

One federal law change was enacted during the reporting period: 2025 HR 1 (Budget Reconciliation). Section 73001 of the Act requires denial of certain federal UI benefits to individuals with $1 million or more of wages in their base period. The Act (Public Law No. 119-21) only applies to certain programs, including Unemployment Compensation for Federal Employees (UCFE), Unemployment Compensation for Ex-Servicemembers (UCX), and federal extended benefit programs. The Act does not apply to regular UI benefits.

2024 Financial Outlook Report Recommendations

The 2024 Financial Outlook Report projected the UI Trust Fund balance at the end of 2025 to be $2.16 billion.

In the 2024 Financial Outlook Report, the secretary recommended the council review:

- Opportunities to bring Wisconsin's UI benefits in line with neighboring states;
- The UI Trust Fund and its funding mechanisms, including the UI Balancing Account, the experience rating system for employers, and rate schedule triggers; and
- The independent contractor test.

When reviewing UI Trust Fund financing, the secretary encouraged the council to also consider benefit rates and eligibility policies that are sufficient to provide workers the financial assistance necessary to withstand temporary periods of unemployment. Wisconsin's maximum weekly benefit currently sits at $370, significantly behind all bordering states, including Iowa, which has a maximum weekly benefit of $763, and Minnesota, at $948. The council reviewed the Financial Outlook Report and considered the secretary's recommendations. A $25 increase in the maximum weekly benefit rate was included in the agreed bill. However, no adjustments to the UI financing system or the independent contractor test were included in the agreed bill.

The next Financial Outlook Report is due to the governor, legislature, and council in May 2026 and will have updated UI Trust Fund balance projections along with department recommendations.

2025 Agreed Bill Deliberations

The council members considered the comments gathered at the public hearing in November 2024, the departmental proposals, and their own proposals in the development of the agreed bill. The agreed bill was bifurcated into two bills: one bill encompassed the appropriations items that needed to be referred to the Joint Committee on Finance; the other bill included the policy items. At the Sept. 24, 2025 meeting, the council unanimously agreed to the below statutory changes in the agreed bill. As of Jan. 7, 2026, both bills have been introduced and are pending in the legislature.

Appropriation Provisions (AB 650/SB 675)

Funding for identity verification under the unemployment insurance law and making an appropriation (UIAC "Appropriations" Bill)

This proposed provision would allow General Purpose Revenue funds currently allocated for UI drug testing and treatment to be used for identity verification if federal funding is no longer available to the department for that purpose.

Benefit Provisions (AB 652/SB 677)

Benefit Amounts

The council proposed increasing the maximum weekly benefit rate for claimants from $370 to $395 as of Dec. 28, 2025.

Suitable Work; Work Search

The council proposed that the department will create a website for employers to report individuals declining a job interview or job offer or failing to attend an interview or their first day of work. If the claimant did not have good cause for doing so, the claimant may be found ineligible for UI benefits for that week. This proposal mirrors 2025 Wisconsin Assembly Bill 169, which the legislature passed and the Governor vetoed on Oct. 31, 2025.

Concurrent Receipt of UI and SSDI

The council proposed that weekly UI benefits be reduced by 50% of proportionate monthly Social Security Disability Insurance (SSDI) benefits over the department's proposal to eliminate consideration of receipt of SSDI benefits consistent with the status quo under a federal court order.

Penalties for Obtaining Benefits in the Name of Another Person

The council proposed a new $5,000 penalty be assessed for attempted benefit fraud by imposters.

Work Search Audits

The council proposed that the department must conduct work search verification audits for at least 50% of claimants with paid claims and no work search waiver.

Identity Proofing

The council proposed that the department must verify a person’s identity before they file a claim using IAL2 and AAL2 standards adopted in the National Institute of Standards and Technology’s Digital Identity Guidelines. This proposal mirrors a provision in 2025 Wisconsin Assembly Bill 168, which the legislature passed and the Governor vetoed in its entirety on Oct. 31, 2025.

Database Comparisons

The council proposed the department must perform a comparison of certain state and national databases for the purposes of detecting fraud or erroneous payments. This proposal mirrors a provision in 2025 Wisconsin Assembly Bill 168, which the legislature passed and the Governor vetoed in its entirety on Oct. 31, 2025.

Tax Provisions (AB 652/SB 677)

Use of Electronic Methods for Filing, Payments, and Reporting

The council proposed expanding the use of electronic communication to provide claimants and employers additional time to respond to department inquiries instead of waiting for notices in the mail. This proposal also expanded the requirement for electronic filing of UI tax reports, effective as of Feb. 2, 2027, in order to provide employers additional time to prepare. All employers may currently file their UI tax reports online.

Additional Proposals Related to UI

Various law change proposals related to the UI program were introduced during the reporting period separately from the council process. However, no other UI program-related bills were enacted during the reporting period. The legislature passed a number of provisions that the Governor vetoed including:

2025 Wisconsin Assembly Bill 169, which proposed various changes to UI law. The bill introduced a process for the department to consider reports by employers of unemployment insurance claimants who decline or fail to respond to a job interview or job offer. Under this bill, failure to attend a job interview would be taken into consideration in determining a person's eligibility to receive unemployment insurance. Governor Evers vetoed this bill on Oct. 31, 2025 because the bill would unnecessarily duplicate existing state law and create additional barriers for individuals applying for benefits from a program designed to support people and families experiencing economic hardship.

2025 Wisconsin Assembly Bill 168 proposed various changes to UI law. The bill included database comparison and identity proofing provisions.

The first provision would have required the department to implement various identify proofing measures, including requiring a claimant to verify their identity before filing an initial claim and achieving IAL2 and AAL2 standards in the National Institute of Standards and Technology's Digital Identity Guidelines. In fall 2024, the department implemented the National Identity Verification Process, which offers claimants the option to verify their identity in person at a Post Office or online through Login.gov. This process is federally funded for the first two years of use and the department is exploring extended funding options. These identity proofing standards would require a significant cost investment in annual vendor costs and technology development. Current UI processes already use targeted identification logic to verify the identity of every claimant, while also allowing multiple methods for identity verification, utilizing existing federal services, and providing the program additional safeguards against fraud.

The second provision would have required certain crosschecks of UI applicant information against various state and national databases to detect fraud. The bill also proposed that the department could perform comparisons on each weekly claim. This is unnecessary given the department's multifaceted, modernized approach to detecting and preventing fraud. Not only does the UI Division crossmatch with death, employment, and other records, the department is also a part of the National Association of State Workforce Agencies' Integrity Data Hub. The data hub provides access to crossmatching verification options, and nationwide databases, to name a few. The department's annual Fraud Report contains more detailed information about DWD's detection tools. Governor Evers vetoed this bill on Oct. 31, 2025 because the department already implements comprehensive fraud prevention strategies, including identity verification, making the proposal to mandate identity proofing both unnecessary and overly burdensome for claimants.

Other Deliberations of the Council

2015 Wis. Act 334 created a new program integrity assessment of 0.01% and reduced employer taxes by the same amount, resulting in no tax increase for Wisconsin employers. The proceeds of this assessment are deposited into the UI Program Integrity Fund and used by the department for program integrity activities.

In October 2024, the council approved the secretary's request to implement the 0.01% program integrity assessment for 2025 and did so again in July 2025 for the following year. The proceeds from this assessment allow the department to continue anti-fraud and other program integrity efforts without raising taxes on employers. The council recognizes the value of the assessment as it relates to the department's program integrity efforts and has unanimously approved this request every year since the assessment was created.

Issues Pending with the Council

There are no issues pending with the council.

Conclusion

Since its inception, the council process has fostered collaboration among those most affected by the UI program and developed reforms that maintain the integrity of the UI program and the solvency of the UI Trust Fund. This collaboration has ensured that UI benefits remain available to workers who lose their job through no fault of their own and that covered employers benefit from the risk sharing of the UI system.

The council looks forward to continuing its positive working relationships with the legislature and the governor.

State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-4851/1
MED:all

2025 ASSEMBLY BILL 652

November 13, 2025 - Introduced by COMMITTEE ON WORKFORCE DEVELOPMENT, LABOR, AND INTEGRATED EMPLOYMENT. Referred to Committee on Workforce Development, Labor, and Integrated Employment.

AN ACT ***to repeal*** 108.04 (12) (f) 3., 108.17 (2g), 108.17 (7) and 108.205 (1m); ***to renumber*** 108.04 (12) (f) 4.; ***to renumber and amend*** 108.04 (11) (cm), 108.04 (12) (f) 1m. and 2m. and 108.14 (21); ***to amend*** 108.04 (2) (h), 108.04 (11) (d), 108.04 (11) (f), 108.05 (1) (r), 108.05 (9), 108.05 (10) (intro.), 108.095 (2), 108.14 (2e), 108.14 (19), 108.14 (20), 108.16 (3) (a), 108.17 (2), 108.17 (2b), 108.205 (2), 108.22 (1) (ac), 108.22 (1) (ad) 1., 108.22 (1) (af) and 108.225 (16) (am) 1. c.; ***to create*** 108.022, 108.04 (1) (hg), 108.04 (2) (hL), 108.04 (8) (bm), 108.04 (11) (cm) 2., 108.05 (1) (s), 108.05 (7m) (title), (c) and (d), 108.14 (10m), 108.14 (21) (b), 108.14 (30) and 108.185 of the statutes; **relating to:** various changes to the unemployment insurance law.

Analysis by the Legislative Reference Bureau

This bill makes various changes in the unemployment insurance (UI) law, which is administered by the Department of Workforce Development. Significant changes include all of the following:

BENEFIT CHANGES

Benefit amounts

Currently, a qualifying employee's weekly UI benefit rates for total unemployment are calculated based upon a percentage of the wages and certain other earnings that are earned during the employee's "base period," which generally is the period consisting of the first four of the five most recently completed calendar year quarters. The minimum weekly benefit rate is $54, and if the employee does not qualify for at least this amount of benefits based on his or her past earnings, then the employee does not receive any benefits. The maximum weekly benefit rate is set at $370.

This bill raises the maximum UI benefit rate to $395. The bill does not affect the minimum benefit rate.

Suitable work; work search

Current law requires that, as a condition of being eligible for UI benefits for a given week, a claimant must 1) be able to work and available for work; 2) register for work in the manner prescribed by DWD; and 3) conduct a reasonable search for suitable work. Separately, current law also makes a claimant ineligible for UI benefits if a claimant fails, without good cause, to accept suitable work when offered.

This bill provides that an employer may report to DWD whenever an individual 1) declines a job interview offer; 2) declines a job offer; 3) fails to attend a scheduled job interview; or 4) fails to report for their first scheduled day of work. If DWD receives one or more verified reports that an individual who is subject to work search requirements has declined a job interview offer or failed to attend a scheduled job interview, the bill provides that the individual is not considered to have conducted a reasonable search for suitable work in that week and is therefore ineligible for benefits that week. If DWD receives one or more verified reports that an individual declined a job offer or failed to report for their first scheduled day of work, the bill provides that the individual is ineligible for benefits that week, subject to any greater disqualification that may otherwise apply regarding failure to accept suitable work. For any report submitted, the bill requires DWD to disregard the report if the claimant has good cause for the circumstances in the report. The bill requires DWD to maintain a website that allows employers to file the reports and to periodically inform employers about the availability of the website.

Concurrent receipt of UI and SSDI

Under current law, in any week in any month that a claimant is issued a benefit under the federal Social Security Disability Insurance program (SSDI payment), that claimant is ineligible for UI benefits. This bill repeals that prohibition and instead requires DWD to reduce a claimant's UI benefit payments by one-half of the amount of SSDI payments. The bill requires DWD to allocate a monthly SSDI payment by allocating to each week the fraction of the payment attributable to that week.

Penalties for obtaining benefits in the name of another person

Under current law, if any person makes a false statement or representation in order to obtain UI benefits in the name of another person, the person may be required to repay the amount of the benefits obtained and to pay an additional amount equal to the amount of benefits obtained. Current law does not specify a penalty for when such a person makes a false statement or representation in order to obtain benefits in the name of another person but fails to obtain any benefits.

The bill provides that if a person makes a false statement or representation on an initial claim in order to intentionally obtain benefits in the name of another person, but fails to obtain benefits, the person is subject to a penalty of $5,000. The bill also makes a number of other minor changes to the existing penalty provision.

TAX CHANGES

Use of electronic methods for filing, payments, and reporting

Currently, with certain exceptions, each employer that has employees who are engaged in employment covered by the UI law must file quarterly contribution (tax) and employment and wage reports and make quarterly contribution payments to DWD. An employer of 25 or more employees or an employer agent that files reports on behalf of any employer must file its reports electronically. Current law also requires each employer that makes contributions for any 12-month period ending on June 30 equal to a total of at least $10,000 to make all contribution payments electronically in the following year. Finally, current law allows DWD to provide a secure means of electronic interchange between itself and employing units, claimants, and other persons that, upon request to and with prior approval by DWD, may be used for transmission or receipt of any document specified by DWD that is related to the administration of the UI law in lieu of any other means of submission or receipt.

The bill makes use of these electronic methods mandatory in all cases unless the employer or other person demonstrates "good cause" for being unable to use the electronic method. The bill specifies what constitutes good cause for purposes of these provisions. The bill also makes various corresponding changes to penalty provisions that apply in the case of nonuse of these required electronic methods. The bill further provides that DWD may permit the use of electronic records and electronic signatures for any document specified by DWD that is related to the administration of the UI law.

OTHER CHANGES

Work search audits

Current law requires DWD to conduct random audits on claimants for UI benefits to assess compliance with the work search requirements under the UI law. DWD is required to prepare and furnish to the Council on Unemployment

Insurance a report summarizing DWD's activities related to detection and prosecution of UI fraud in the preceding year, which must include information about the audits described above, including the number and results of audits performed, in the previous year.

This bill requires DWD's random audits to include at least 50 percent of claimants who were paid benefits and required to search for work, as determined by DWD. The bill also instead requires DWD to include information about the number of audits performed and determinations issued for audits performed in the preceding year.

Identity proofing

The bill requires DWD to implement identity-proofing measures for UI claimants who are engaging in benefit-related transactions with DWD that 1) require a claimant to verify his or her identity before filing an initial claim for benefits and when engaging in other transactions with DWD, and 2) achieve the IAL2 and AAL2 standards adopted in the National Institute of Standards and Technology's Digital Identity Guidelines.

Database comparisons

The bill requires DWD to perform a comparison of certain state and national databases that track death records, employment records, prison records, and citizenship and immigration against applicants for UI benefits for the purposes of detecting fraud or erroneous payments, subject to their availability to DWD. The bill also allows DWD to perform the comparison on each weekly claim. The bill provides that DWD may also make such comparisons with other databases.

For further information see the state and local 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:

SECTION 1. 108.022 of the statutes is created to read:

108.022 Electronic payments and filings; good cause. For purposes of requirements to use electronic filing, payment, or interchange methods specified under ss. 108.14 (2e), 108.17 (2b) and (7) (a), 108.185, and 108.205 (2), good cause for not using such method includes all of the following, as determined by the department:

(1) Having limited or no Internet access.

(2) Having digital literacy limitations.

(3) Having communication barriers, such as having a vision or other disability that prevents the ease of using the electronic method or having limited or no English proficiency.

(4) The presence of other circumstances that make use of the electronic method unusually difficult for the person, as determined by the department.

SECTION 2. 108.04 (1) (hg) of the statutes is created to read:

108.04 **(1)** (hg) 1. An employing unit may report to the department whenever any of the following occurs:

a. An individual declines a job interview offer with the employing unit.

b. An individual declines a job offer with the employing unit.

c. An individual fails to attend a scheduled job interview with the employing unit.

d. An individual fails to report for their first scheduled day of work with the employing unit.

2. The department shall investigate each report submitted under subd. 1. as needed to determine whether the report affects a claimant's eligibility for benefits under this chapter as provided in subs. (2) (hL) and (8) (bm). The department shall disregard a report submitted under subd. 1. if the claimant has good cause for the circumstances in the report.

SECTION 3. 108.04 (2) (h) of the statutes is amended to read:

108.04 **(2)** (h) A claimant shall, when the claimant first files a claim for benefits under this chapter and during each subsequent week the claimant files for benefits under this chapter, inform the department whether he or she is receiving social security disability insurance payments, as defined in ~~sub. (12) (f) 2m~~ s. 108.05 (7m) (b). If the claimant is receiving social security disability insurance payments, the claimant shall, in the manner prescribed by the department, report to the department the amount of the social security disability insurance payments.

SECTION 4. 108.04 (2) (hL) of the statutes is created to read:

108.04 **(2)** (hL) 1. Subject to subd. 2., if a claimant is subject to the requirement under par. (a) 3. to conduct a reasonable search for suitable work for a given week and the department receives one or more verified reports submitted by an employing unit concerning an employee under sub. (1) (hg) 1. a. or c. for a given week that are not disregarded under sub. (1) (hg) 2., the claimant shall not be considered to have conducted a reasonable search for suitable work in that week under par. (a) 3.

SECTION 5. 108.04 (8) (bm) of the statutes is created to read:

108.04 **(8)** (bm) Subject to pars. (d) to (em), if the department receives one or more verified reports submitted by an employing unit concerning an employee under sub. (1) (hg) 1. b. or d. for a given week that are not disregarded under sub. (1) (hg) 2., and the employee is not otherwise disqualified under this subsection, the employee is ineligible to receive benefits for that week.

SECTION 6. 108.04 (11) (cm) of the statutes is renumbered 108.04 (11) (cm) 1. and amended to read:

108.04 **(11)** (cm) 1. If any person makes a false statement or representation in order to obtain, for his or her own benefit, benefits in the name of another person and obtains such benefits, the benefits received by that person constitute a benefit overpayment. Such person ~~may~~ shall, by a determination or decision issued under s. 108.095, be required to repay the amount of the benefits obtained and shall additionally be assessed ~~an administrative assessment in an additional~~ a penalty in an amount equal to the amount of benefits obtained.

SECTION 7. 108.04 (11) (cm) 2. of the statutes is created to read:

108.04 **(11)** (cm) 2. If any person makes a false statement or representation on an initial claim in order to obtain, for his or her own benefit, benefits in the name of another person but fails to obtain benefits, that person shall, by a determination or decision issued under s. 108.095, be assessed a penalty of $5,000.

SECTION 8. 108.04 (11) (d) of the statutes is amended to read:

108.04 **(11)** (d) In addition to other remedies, the department may, by civil action, recover any benefits obtained by means of any false statement or representation or any ~~administrative assessment~~ penalty imposed under par. (cm). Chapter 778 does not apply to collection of any benefits or ~~assessment~~ penalty under this paragraph.

SECTION 9. 108.04 (11) (f) of the statutes is amended to read:

108.04 **(11)** (f) All amounts forfeited under par. (c) and all ~~collections from administrative assessments~~ penalties collected under par. (cm) shall be credited to the administrative account.

SECTION 10. 108.04 (12) (f) 1m. and 2m. of the statutes are renumbered 108.05 (7m) (a) and (b) and amended to read:

108.05 **(7m)** (a) The intent of the legislature in enacting this ~~paragraph~~

subsection is to prevent the payment of duplicative government benefits for the replacement of lost earnings or income, regardless of an individual's ability to work.

(b) In this ~~paragraph~~ subsection, "social security disability insurance payment" means a payment of social security disability insurance benefits under 42 USC ch. 7 subch. II.

SECTION 11. 108.04 (12) (f) 3. of the statutes is repealed.

SECTION 12. 108.04 (12) (f) 4. of the statutes is renumbered 108.05 (7m) (e).

SECTION 13. 108.05 (1) (r) of the statutes is amended to read:

108.05 **(1)** (r) Except as provided in s. 108.062 (6) (a), each eligible employee shall be paid benefits for each week of total unemployment that commences on or after January 5, 2014, and before December 28, 2025, at the weekly benefit rate specified in this paragraph. Unless sub. (1m) applies, the weekly benefit rate shall equal 4 percent of the employee's base period wages that were paid during that quarter of the employee's base period in which the employee was paid the highest total wages, rounded down to the nearest whole dollar, except that, if that amount is less than $54, no benefits are payable to the employee and, if that amount is more than $370, the employee's weekly benefit rate shall be $370 and except that, if the employee's benefits are exhausted during any week under s. 108.06 (1), the employee shall be paid the remaining amount of benefits payable to the employee under s. 108.06 (1). The department shall publish on its ~~Internet site~~ website a weekly benefit rate schedule of quarterly wages and the corresponding weekly benefit rates as calculated in accordance with this paragraph.

SECTION 14. 108.05 (1) (s) of the statutes is created to read:

108.05 **(1)** (s) Except as provided in s. 108.062 (6) (a), each eligible employee shall be paid benefits for each week of total unemployment that commences on or after December 28, 2025, at the weekly benefit rate specified in this paragraph. Unless sub. (1m) applies, the weekly benefit rate shall equal 4 percent of the employee's base period wages that were paid during that quarter of the employee's base period in which the employee was paid the highest total wages, rounded down to the nearest whole dollar, except that, if that amount is less than $54, no benefits are payable to the employee and, if that amount is more than $395, the employee's weekly benefit rate shall be $395 and except that, if the employee's benefits are exhausted during any week under s. 108.06 (1), the employee shall be paid the remaining amount of benefits payable to the employee under s. 108.06 (1). The department shall publish on its website a weekly benefit rate schedule of quarterly wages and the corresponding weekly benefit rates as calculated in accordance with this paragraph.

SECTION 15. 108.05 (7m) (title), (c) and (d) of the statutes are created to read:

108.05 **(7m)** (title) SOCIAL SECURITY DISABILITY INSURANCE PAYMENTS.

(c) If a monthly social security disability insurance payment is issued to a claimant, the department shall reduce benefits otherwise payable to the claimant for a given week by one-half of the amount a of security disability insurance payment that is allocated for that week under par. (d). This subsection does not apply to a lump sum social security disability insurance payment in the nature of a retroactive payment or back pay.

(d) The department shall allocate a monthly social security disability insurance payment by allocating to each week the fraction of the payment attributable to that week.

SECTION 16. 108.05 (9) of the statutes is amended to read:

108.05 **(9)** ROUNDING OF BENEFIT AMOUNTS. Notwithstanding sub. (1), benefits payable for a week of unemployment as a result of applying sub. (1m), (3) ~~or~~, (7), or (7m) or s. 108.04 (11) or (12), 108.06 (1), 108.13 (4) or (5) or 108.135 shall be rounded down to the next lowest dollar.

SECTION 17. 108.05 (10) (intro.) of the statutes is amended to read:

108.05 **(10)** DEDUCTIONS FROM BENEFIT PAYMENTS. (intro.) After calculating the benefit payment due to be paid for a week under subs. (1) to ~~(7)~~ (7m), the department shall make deductions from that payment to the extent that the payment is sufficient to make the following payments in the following order:

SECTION 18. 108.095 (2) of the statutes is amended to read:

108.095 **(2)** The department shall investigate whether any person has obtained or attempted to obtain benefits that were payable to another person by means of any false statement or representation, and may issue an initial determination concerning its findings. The department shall electronically deliver a copy of the determination to, or mail a copy of the determination to the last-known address of, each party affected thereby. Unless designated by a determination under this section, an employing unit is not a party to the determination. The department may set aside or amend the determination at any time prior to a hearing concerning the determination under sub. (5) on the basis of subsequent information or to correct a mistake, including an error of law.

SECTION 19. 108.14 (2e) of the statutes is amended to read:

108.14 **(2e)** The department ~~may~~ shall provide a secure means of electronic interchange between itself and employing units, claimants, and other persons that~~,~~ ~~upon request to and with prior approval by the department, may~~ shall be used for departmental transmission or receipt of any document specified by the department that is related to the administration of this chapter and related federal programs in lieu of any other means of submission or receipt specified in this chapter. The secure means of electronic interchange shall be used by employing units, claimants, and other persons unless the person demonstrates good cause, as specified in s. 108.022, for being unable to use the secure means of electronic interchange. Subject to s. 137.25 (2) and any rules promulgated thereunder, the department may permit the use of electronic records and electronic signatures for any document specified by the department that is related to the administration of this chapter. If a due date is established by statute for the receipt of any document that is submitted electronically to the department under this subsection, then that submission is timely only if the document is submitted by midnight of the statutory due date.

SECTION 20. 108.14 (10m) of the statutes is created to read:

108.14 **(10m)** (a) The department shall, subject to par. (b), implement identity-proofing measures for claimants who are engaging in benefit-related transactions with the department.

(b) 1. The department shall ensure that the measures under par. (a) require a claimant to verify his or her identity before filing an initial claim for benefits and when engaging in other transactions with the department, as determined by the department.

2. The department shall ensure that the measures under par. (a) achieve, at a minimum, the IAL2 and AAL2 standards adopted in the National Institute of Standards and Technology's Digital Identity Guidelines.

SECTION 21. 108.14 (19) of the statutes is amended to read:

108.14 **(19)** No later than March 15 annually, the department shall prepare and furnish to the council on unemployment insurance a report summarizing the department's activities related to detection and prosecution of unemployment insurance fraud in the preceding year. The department shall include in the report information about audits conducted by the department under sub. (20), including information about the number ~~and results~~ of audits performed~~,~~ and determinations issued for audits performed in the ~~previous~~ preceding year.

SECTION 22. 108.14 (20) of the statutes is amended to read:

108.14 **(20)** The department shall conduct random audits on claimants for benefits under this chapter to assess compliance with the work search requirements under s. 108.04 (2) (a) 3. The random audits shall include at least 50 percent of claimants who were paid benefits and required to search for work, as determined by the department.

SECTION 23. 108.14 (21) of the statutes is renumbered 108.14 (21) (a) and amended to read:

108.14 **(21)** (a) The department shall maintain a ~~portal on the Internet~~ website that allows employers to ~~log in and~~ file with the department complaints related to the administration of this chapter.

SECTION 24. 108.14 (21) (b) of the statutes is created to read:

108.14 **(21)** (b) The department shall maintain a website that allows employers to file with the department reports under s. 108.04 (1) (hg). The department shall periodically inform employers about the availability of the website.

SECTION 25. 108.14 (30) of the statutes is created to read:

108.14 **(30)** (a) The department shall, on each initial claim, compare applicants for benefits under this chapter and any federal unemployment insurance benefit program that it administers against all of the following, for the purpose of detecting fraud or erroneous payments:

1. Nationally recognized databases that contain information on death records, including the federal social security administration's death master file.

2. The National Association of State Workforce Agencies' integrity data hub.

3. The national directory of new hires maintained by the office of child support enforcement in the U.S. department of health and human services.

4. Prisoner databases maintained by the department of justice, the department of corrections, and the U.S. department of justice.

5. The U.S. Citizenship and Immigration Services Secure Automated Verification of Eligibility database.

(b) In addition to the comparisons specified in par. (a) 1. to 5., the department may perform comparisons against other public or private databases.

(c) The department may perform the comparisons specified in par. (a) 1. to 5. on each weekly claim.

(d) Notwithstanding par. (a), the department is not required to make the comparisons using the databases specified in par. (a) 1. to 5. if the databases are unavailable to the department.

SECTION 26. 108.16 (3) (a) of the statutes is amended to read:

108.16 **(3)** (a) Any overpayment for which the claimant's liability to reimburse the fund is established under s. 108.22 (8) or any ~~assessment~~ penalty under s. 108.04 (11) (cm) for which a final determination has been issued under s. 108.09 or 108.095 upon receipt of certification by the department that reasonable efforts have been made to recover the overpayment or the amount of the ~~assessment~~ penalty and that the amount due is uncollectible.

SECTION 27. 108.17 (2) of the statutes is amended to read:

108.17 **(2)** (a) Except as provided in par. (b) and subject to sub. (2b) and s. 108.185, every employer that is subject to a contribution requirement shall file quarterly reports of contributions required under this chapter with the department, and pay contributions to the department, in such manner as the department prescribes. Each contribution report and payment is due at the close of the month next following the end of the applicable calendar quarter, except as authorized in sub. (2c) or as the department may assign a later due date pursuant to sub. (1m) or general department rules.

(b) The department may electronically provide a means whereby an employer that files its employment and wage reports electronically may determine the amount of contributions due for payment by the employer under s. 108.18 for each quarter. If an employer that is subject to a contribution requirement files its employment and wage reports under s. 108.205 (1) electronically, in the manner prescribed by the department ~~for purposes of this paragraph~~ under s. 108.205 (2), the department may require the employer to determine electronically the amount of contributions due for payment by the employer under s. 108.18 for each quarter. In such case, the employer is excused from filing contribution reports under par. (a). The employer shall pay the amount due for each quarter by the due date specified in par. (a).

SECTION 28. 108.17 (2b) of the statutes is amended to read:

108.17 **(2b)** The department shall prescribe a form and methodology for filing contribution reports under sub. (2) electronically. Each employer ~~of 25 or more employees, as determined under s. 108.22 (1) (ae), that does not use an~~ and employer agent ~~to file its contribution reports under this section~~ shall file its contribution reports electronically in the manner and form prescribed by the department~~. Each employer that becomes subject to an electronic reporting requirement under this subsection shall file its initial report under this subsection for the quarter during which the employer becomes subject to the reporting requirement. Once an employer becomes subject to a reporting requirement under this subsection, it shall continue to file its reports under this subsection unless that requirement is waived by the department~~ unless an employer demonstrates good cause, as specified in s. 108.022, for being unable to file contribution reports electronically.

SECTION 29. 108.17 (2g) of the statutes is repealed.

SECTION 30. 108.17 (7) of the statutes is repealed.

SECTION 31. 108.185 of the statutes is created to read:

108.185 Payment of contributions and reimbursements; good cause. Each employer, employer agent, person liable under s. 108.22 (9), and private agency liable under s. 108.22 (10) shall pay all contributions, reimbursements, interest, penalties, assessments, and other amounts due under this chapter by means of electronic funds transfer or another electronic method as approved by the department unless the employer, employer agent, person, or private agency demonstrates good cause, as specified in s. 108.022, for being unable to pay such amounts electronically.

SECTION 32. 108.205 (1m) of the statutes is repealed.

SECTION 33. 108.205 (2) of the statutes is amended to read:

108.205 **(2)** Each employer ~~of 25 or more employees, as determined under s. 108.22 (1) (ac), that does not use an employer agent to file its reports under this section~~ <u>and employer agent</u> shall file the quarterly report under sub. (1) electronically in the manner and form prescribed by the department~~. An employer that becomes subject to an electronic reporting requirement under this subsection shall file its initial report under this subsection for the quarter during which the employer becomes subject to the reporting requirement. Once an employer becomes subject to the reporting requirement under this subsection, the employer shall continue to file its quarterly reports under this subsection unless that requirement is waived by the department~~ <u>unless an employer demonstrates good cause, as specified in s. 108.022, for being unable to file reports electronically</u>.

SECTION 34. 108.22 (1) (ac) of the statutes is amended to read:

108.22 **(1)** (ac) In addition to any fee assessed under par. (a), the department may assess an employer or employer agent that is subject to the reporting requirement under s. 108.205 (2) and that fails to file its report in the manner and form prescribed under that subsection a penalty of $20 for each employee whose information is not reported in ~~the~~ that manner and form ~~prescribed under s. 108.205 (1m) (b) or (2)~~.

SECTION 35. 108.22 (1) (ad) 1. of the statutes is amended to read:

108.22 **(1)** (ad) 1. An employer agent that is subject to the reporting requirements under s. 108.17 ~~(2g)~~ (2b) and that fails to file a contribution report in accordance with s. 108.17 ~~(2g)~~ (2b) may be assessed a penalty by the department in the amount of $25 for each employer whose report is not filed electronically in the manner and form prescribed by the department.

SECTION 36. 108.22 (1) (af) of the statutes is amended to read:

108.22 **(1)** (af) In addition to the fee assessed under par. (a), the department may assess ~~an employer or employer agent~~ a person that is ~~subject to a requirement~~ required to make ~~contributions~~ a payment to the department by means of an electronic ~~funds transfer~~ method under s. ~~108.17 (7)~~ 108.185 and that ~~pays contributions~~ makes the payment by any method inconsistent with s. ~~108.17 (7)~~ 108.185 a penalty of the greater of $50 or an amount equal to one-half of ~~one~~ 1 percent of the total ~~contributions~~ amount paid by the ~~employer or employer agent~~ person for the quarter in which the violation occurs.

SECTION 37. 108.225 (16) (am) 1. c. of the statutes is amended to read:

108.225 **(16)** (am) 1. c. The department may decrease or eliminate the exemption from levy under this paragraph if a final determination has been issued under s. 108.09 or 108.095 or a judgment has been entered under s. 108.24 (1) in which the debtor has been found guilty of making a false statement or representation to obtain benefits and the benefits and any ~~assessment~~ penalty under s. 108.04 (11) (cm) have not been paid or reimbursed at the time that the levy is issued, unless the fund's treasurer has written off the debt under s. 108.16 (3) (a).

SECTION 38. Nonstatutory provisions.

(1) The department of workforce development shall submit to the legislative reference bureau for publication in the Wisconsin administrative register a notice indicating the date upon which the department is able to implement the treatment of s. 108.14 (2e).

(2) If the treatment of s. 108.05 (1) (s) by this act takes effect after December 28, 2025, the department shall, for claimants who, for weeks of unemployment that commenced on or after December 28, 2025, received the maximum benefit rate provided under s. 108.05 (1) (r) and would have been eligible for a higher benefit rate under s. 108.05 (1) (s) if s. 108.05 (1) (s) had been in effect, adjust the benefits previously paid to those claimants for those weeks by applying s. 108.05 (1) (s) to those weeks.

SECTION 39. Initial applicability.

(1) The treatment s. 108.04 (1) (hg), (2) (hL), and (8) (bm) first applies to weeks of unemployment beginning on the effective date of this subsection.

(2) The treatment of ss. 108.04 (11) (d) and (f), 108.16 (3) (a), and 108.225 (16) (am) 1. c., the renumbering and amendment of s. 108.04 (11) (cm), and the creation of s. 108.04 (11) (cm) 2. first apply to determinations issued under s. 108.095 on the effective date of this subsection.

(3) The treatment of ss. 108.04 (2) (h) and (12) (f) 1m., 2m., 3., and 4. and 108.05 (7m) (title), (c), and (d), (9), and (10) (intro.) first applies to determinations issued under s. 108.09 on the effective date of this subsection.

SECTION 40. Effective dates. This act takes effect on the first Sunday after publication, except as follows:

(1) The treatment of s. 108.14 (2e) takes effect on the date specified in the notice published in the Wisconsin administrative register under SECTION 38 (1) of this act.

(2) The treatment of ss. 108.17 (2), (2b), (2g), and (7), 108.185, 108.205 (1m) and (2), and 108.22 (1) (ac), (ad) 1., and (af) takes effect on February 2, 2027.

(3) The treatment of ss. 108.04 (2) (h) and (12) (f) 1m., 2m., 3., and 4. and 108.05 (7m) (title), (c), and (d), (9), and (10) (intro.) and SECTION 39 (3) of this act take effect on the first Sunday of the 7th month beginning after publication.

(END)

State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-4813/1
MED:cjs

2025 ASSEMBLY BILL 650

November 13, 2025 - Introduced by COMMITTEE ON WORKFORCE DEVELOPMENT, LABOR, AND INTEGRATED EMPLOYMENT. Referred to Committee on Workforce Development, Labor, and Integrated Employment.

AN ACT ***to amend*** 20.445 (1) (aL) of the statutes; **relating to:** funding for identity verification under the unemployment insurance law and making an appropriation.

Analysis by the Legislative Reference Bureau

Current law appropriates funding to the Department of Workforce Development for various costs associated with drug testing under the unemployment insurance law, with the unspent funds being directed to the unemployment program integrity fund at the end of every fiscal year. This bill allows this funding to also be used for costs associated with identity proofing of claimants for which federal funding is unavailable.

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:

SECTION 1. 20.445 (1) (aL) of the statutes is amended to read:

20.445 **(1)** (aL) *Unemployment insurance administration; controlled* *substances testing and substance abuse treatment; identity proofing*. Biennially, the amounts in the schedule for conducting screenings of applicants, testing applicants for controlled substances, the provision of substance abuse treatment to applicants and claimants, and related expenses under s. 108.133 and for costs related to identity proofing under s. 108.14 (10m) for which federal funding is unavailable. Notwithstanding s. 20.001 (3) (b), the unencumbered balance on June 30 of each odd-numbered year shall be transferred to the unemployment program integrity fund.

(END)

State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-4295/1
JK/MIM/ARG:all

2025 ASSEMBLY BILL 462

September 26, 2025 - Introduced by Representatives EMERSON, ANDERSON, ANDRACA, ARNEY, BARE, BILLINGS, BROWN, CLANCY, CRUZ, DESANTO, DESMIDT, DOYLE, FITZGERALD, GOODWIN, HAYWOOD, HONG, HYSELL, J. JACOBSON, JOERS, JOHNSON, KIRSCH, MADISON, MAYADEV, MCCARVILLE, MCGUIRE, MIRESSE, MOORE OMOKUNDE, NEUBAUER, ORTIZ-VELEZ, PALMERI, PHELPS, PRADO, RIVERA-WAGNER, ROE, SHEEHAN, SINICKI, SNODGRASS, SPAUDE, STROUD, STUBBS, SUBECK, TAYLOR, TENORIO, UDELL and VINING, cosponsored by Senators WIRCH, CARPENTER, DASSLER-ALFHEIM, DRAKE, HABUSH SINYKIN, HESSELBEIN, L. JOHNSON, KEYESKI, LARSON, PFAFF, RATCLIFF, ROYS, SMITH, SPREITZER and WALL. Referred to Committee on Workforce Development, Labor, and Integrated Employment.

AN ACT ***to repeal*** 101.1472; ***to renumber and amend*** 108.221 (1) (a) and 108.221 (2); ***to amend*** 102.125 (2), 102.125 (3), 102.85 (1) (a), 102.85 (1) (b) and 102.85 (2) (intro.); ***to create*** 16.40 (24), 71.738 (1b), 71.738 (3h), 71.738 (3m), 71.815, 101.147, 101.19 (1g) (m), 102.125 (1m), 102.85 (1) (c), 102.85 (1) (d), 102.85 (2j), 102.85 (2k), 103.005 (4m), 108.221 (1) (a) 2., 108.221 (2) (b), 182.01 (8), 601.41 (14) and 943.395 (1) (e) of the statutes; **relating to:** employee misclassification; construction contractor registration; reporting state tax law violations committed by construction industry employers; and granting rule-making authority, making an appropriation, and providing a penalty.

Analysis by the Legislative Reference Bureau

This bill makes the following changes to current law regarding employee misclassifications:

Outreach and education regarding employee misclassification

The bill directs the commissioner of insurance to conduct, on at least an annual basis, outreach and education to insurers and other persons regulated by the state insurance laws on how to identify the misclassification of employees and report suspected misclassifications to the appropriate federal and state agencies.

Worker classification notice and posting

The bill requires the Department of Workforce Development to design and make available to employers a notice regarding worker classification laws, requirements for employers and employees, and penalties for noncompliance. Under the bill, all employers in this state must post the notice in a conspicuous place where notices to employees are customarily posted. The bill also provides a penalty of not more than $100 for an employer that does not post the notice as required.

Website for worker classification laws

Under the bill, DWD must establish and maintain on its website information regarding worker classification laws, requirements for employers and employees, penalties for noncompliance, and contact information at each state agency that administers worker classification laws.

Unemployment insurance; worker misclassification penalties

Current law requires DWD to assess an administrative penalty against an employer engaged in construction projects or in the painting or drywall finishing of buildings or other structures who knowingly and intentionally provides false information to DWD for the purpose of misclassifying or attempting to misclassify an individual who is an employee of the employer as a nonemployee under the unemployment insurance law. The penalty under current law is $500 for each employee who is misclassified, not to exceed $7,500 per incident. Current law additionally requires DWD to assess an administrative penalty against such an employer who, through coercion, requires an individual to adopt the status of a nonemployee in the amount of $1,000 for each individual so coerced, but not to exceed $10,000 per calendar year. Penalties are deposited in the unemployment program integrity fund.

The bill removes the $7,500 and $10,000 limitations on these penalties and provides that the penalties double for each act occurring after the date of the first determination of a violation. The bill also removes the limitations on the types of employers that the penalties apply to, allowing them to be assessed against any type of employer that violates the above prohibitions.

Worker's compensation; penalties for uninsured employers

Under current law, DWD is required to assess an administrative penalty against an employer who requires an employee to pay for any part of worker's compensation insurance or who fails to provide mandatory worker's compensation insurance coverage. If the employer violates those requirements, for the first 10 days, the penalty under current law is not less than $100 and not more than $1,000 for such a violation. If the employer violates those requirements for more than 10 days, the penalty under current law is not less than $10 and not more than $100 for each day of such a violation.

The bill provides that the penalty for violations occurring after the second such violation is $3,000 per violation, or three times the amount of the insurance premium that would have been payable, whichever is greater. The bill also provides that the penalty for violations occurring after the third such violation is $4,000 per violation, or four times the amount of the insurance premium that would have been payable, whichever is greater.

Also under current law, if an employer who is required to provide worker's compensation insurance coverage provides false information about the coverage to his or her employees or contractors who request information about the coverage, or fails to notify a person who contracts with the employer that the coverage has been canceled in relation to the contract, DWD is required to assess a penalty of not less than $100 and not more than $1,000 for each such violation.

The bill provides that the penalty for violations occurring after the third such violation is $3,000 per violation, and the penalty is $4,000 for violations occurring after the fourth such violation.

Worker's compensation; false or fraudulent claims

Under current law, if an insurer or self-insured employer has evidence that a worker's compensation claim is false or fraudulent, the insurer or self-insured employer must generally report the claim to DWD. If, based on the investigation, DWD has a reasonable basis to believe that criminal insurance fraud has occurred, DWD must refer the matter to the district attorney for prosecution. Also under current law, DWD may request assistance from the Department of Justice to investigate false or fraudulent activity related to a worker's compensation claim. If, based on that investigation, DWD has a reasonable basis to believe that theft, forgery, fraud, or any other criminal violation has occurred, DWD must refer the matter to the district attorney or DOJ for prosecution. The bill extends these requirements to insurers who have evidence that an application for worker's compensation insurance coverage is fraudulent or that an employer has committed fraud by misclassifying employees to lower the employer's worker's compensation insurance premiums.

Worker misclassification outreach

The bill requires the Department of Administration to direct state agencies, constitutional offices, departments, independent agencies, and societies, associations, and certain other agencies of state government for which appropriations are made by law, to provide educational outreach regarding worker misclassification to employers, workers, and organizations that serve vulnerable populations.

Worker misclassification information

The bill requires the Department of Financial Institutions to provide informational materials and resources on worker misclassification to each person who files with DFI documents forming a business corporation, nonstock corporation, limited liability company, limited liability partnership, or limited partnership.

Construction contractor registration

The bill requires most persons who hold themselves out or act as construction contractors to be registered by the Department of Safety and Professional Services. DSPS may directly assess a forfeiture by issuing an order against any person who fails to register as required under the bill. The registration requirement does not apply to a person who engages in construction on his or her own property, to a state agency or local governmental unit, or to a person who engages in construction in the course of his or her employment by a state agency or local governmental unit.

Construction industry violations

The bill authorizes the secretary of revenue to provide monetary awards to individuals who provide information to the Department of Revenue regarding alleged state tax law violations by construction industry employers. The amount of the award is at least 15 percent, but not more than 30 percent, of the proceeds collected by DOR resulting from an administrative or judicial action concerning the allegations or from any settlement of such action.

The bill allows the secretary to reduce the amount of the award if the secretary determines that the information provided by the individual resulted from an administrative or judicial hearing; from a government report, hearing, audit, or investigation; or from the news media. However, the secretary may not provide an award to an individual who is convicted of criminal conduct arising from the individual's role in the alleged violation. In addition, an individual who obtains information regarding an alleged state tax law violation through the individual's official duties as a DOR or DOJ employee is not eligible to receive an award.

Under the bill, no employer may discharge or otherwise discipline or discriminate against any employee who provides information about alleged state tax law violations by a construction industry employer to DOR or the secretary.

Audits and investigations

The bill requires the Unemployment Insurance Division in DWD to coordinate with the Division of Personnel Management in DOA to review all recruitment and onboarding programs to ensure that auditor positions are correctly classified and the compensation for auditors is comparable to that in the private labor market. The bill also requires DWD to review resources available to investigators and auditors and evaluate potential strategies and improvements that could be implemented by DWD. The bill also requires DWD to submit a report to the legislature of its findings no later than January 31, 2027.

Finally, the bill authorizes three full-time positions for DWD to perform investigations and audits regarding worker misclassification.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report.

For further information see the state and local 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:

SECTION 1. 16.40 (24) of the statutes is created to read:

16.40 **(24)** WORKER MISCLASSIFICATION OUTREACH. Direct all departments to provide targeted educational outreach regarding worker misclassification in English, Spanish, and other languages spoken by a significant number of individuals in this state, to employers, workers, and organizations that serve vulnerable populations, including individuals with limited English proficiency. The outreach shall emphasize the appropriate departments to contact and the rights of individuals to remain anonymous when reporting worker misclassification.

SECTION 2. 71.738 (1b) of the statutes is created to read:

71.738 **(1b)** "Construction industry employer" means an employer engaging in any activity related to the erection, construction, alteration, demolition, repair, or maintenance of buildings, structures, bridges, highways, roadways, dams, tunnels, sewers, underground buildings or structures, pipelines or ducts, or any other similar construction projects or facilities.

SECTION 3. 71.738 (3h) of the statutes is created to read:

71.738 **(3h)** "Proceeds" means taxes, fees, penalties, and interest.

SECTION 4. 71.738 (3m) of the statutes is created to read:

71.738 **(3m)** "Secretary" means the secretary of revenue.

SECTION 5. 71.815 of the statutes is created to read:

71.815 Construction industry whistleblowers. (1) LEGAL ACTIONS AND AWARDS. (a) If the department commences or is a party to an administrative or judicial action against a construction industry employer for an alleged violation of this chapter and the secretary determines that the action is based on specific and credible information brought to the secretary by an individual, the secretary shall provide that individual an award of at least 15 percent, but not more than 30 percent, of the proceeds collected by the department as a result of the action or from any settlement in response to that action, except as provided in par. (b) and sub. (2). The secretary shall determine the amount of an award under this subsection based on the extent to which the information submitted by the individual contributed to the outcome of the administrative or judicial action or related settlement.

(b) If the secretary determines that an administrative or judicial action against a construction industry employer for an alleged violation of this chapter is based principally on an individual's disclosure of an allegation resulting from an administrative or judicial hearing; from a government report, hearing, audit, or investigation; or from the news media, the secretary may provide the individual an award not to exceed 10 percent of the proceeds collected by the department as a result of the action or from any settlement in response to that action.

(2) INELIGIBLE CLAIMS. (a) 1. If the secretary determines that the claim for an award under sub. (1) is brought by an individual who planned or initiated the actions or omissions that led to the alleged violation resulting in the administrative or judicial action in which that individual is a party, the secretary may reduce the amount of the award by an amount that the secretary considers appropriate.

2. If the individual described under subd. 1. is convicted of criminal conduct arising from the individual's role in the alleged violation, the secretary may not provide an award to that individual. If the individual is convicted of criminal conduct arising from the individual's role in the violation after receiving an award, the secretary shall recapture the full amount of the award.

(b) 1. An individual who obtains information regarding an alleged violation of this chapter through the individual's official duties as an employee of the department or the department of justice is not eligible to receive an award under this section.

2. An individual who obtains information regarding an alleged violation of this chapter from an individual described under subd. 1. is not eligible to receive an award under this section.

(3) ADMINISTRATION. (a) No employer may discharge or otherwise discipline or discriminate against any employee who provides information described under this section to the department or secretary.

(b) The department shall promulgate rules to administer this section.

SECTION 6. 101.147 of the statutes is created to read:

101.147 Construction contractor registration. **(1)** (a) Except as provided in par. (b), no person may hold himself or herself out or act as a construction contractor unless that person is registered as a construction contractor by the department.

(b) The registration requirement under par. (a) does not apply to any of the following:

1. A person who engages in construction on property owned or leased by that person.

2. A state agency or local governmental unit.

3. A person who engages in construction in the course of his or her employment by a state agency or local governmental unit.

(2) An application for a registration under this section shall require the applicant to submit all of the following:

(a) The applicant's name, contact information, and physical address for the business principal.

(b) If the applicant is a corporation, limited liability company, limited partnership, or limited liability partnership and is not organized under ch. 178, 179, 180, 181, or 183, evidence that the applicant is registered, or has obtained a certificate of authority or registration, to transact business in this state under s. 178.1003, 179.1002, 180.1503, 181.1503, or 183.0909, as applicable.

(c) Evidence of compliance with the requirements under ss. 108.17 to 108.205.

(d) Evidence of compliance with s. 102.28 (2).

(e) An acknowledgment of worker classification laws and penalties to ensure that construction contractors registered under this section are aware of their obligations.

(3) The department may directly assess a forfeiture by issuing an order against any person who violates this section.

(4) The department shall, with the advice of the department of workforce development, promulgate rules to administer and enforce this section.

SECTION 7. 101.1472 of the statutes is repealed.

SECTION 8. 101.19 (1g) (m) of the statutes is created to read:

101.19 **(1g)** (m) Registering construction contractors under s. 101.147.

SECTION 9. 102.125 (1m) of the statutes is created to read:

102.125 **(1m)** APPLICATION AND PREMIUM FRAUD. If an insurer has evidence that an application for worker's compensation insurance coverage is fraudulent or that an employer has committed fraud by misclassifying employees to lower the employer's worker's compensation insurance premiums in violation of s. 943.395, the insurer shall report the claim to the department. The department may require an insurer to investigate an allegedly fraudulent application or alleged fraud by misclassification of employees and may provide the insurer with any records of the department relating to that alleged fraud. An insurer that investigates alleged fraud under this subsection shall report the results of that investigation to the department.

SECTION 10. 102.125 (2) of the statutes is amended to read:

102.125 **(2)** ASSISTANCE BY DEPARTMENT OF JUSTICE. The department of workforce development may request the department of justice to assist the department of workforce development in an investigation under sub. (1) <u>or (1m)</u> or in the investigation of any other suspected fraudulent activity on the part of an employer, employee, insurer, health care provider, or other person related to worker's compensation.

SECTION 11. 102.125 (3) of the statutes is amended to read:

102.125 **(3)** PROSECUTION. If based on an investigation under sub. (1), (1m), or (2) the department has a reasonable basis to believe that a violation of s. 943.20, 943.38, 943.39, 943.392, 943.395, 943.40, or any other criminal law has occurred, the department shall refer the results of the investigation to the department of justice or to the district attorney of the county in which the alleged violation occurred for prosecution.

SECTION 12. 102.85 (1) (a) of the statutes is amended to read:

102.85 **(1)** (a) ~~An~~ For each act occurring before the date of the first determination of a violation of this subsection, an employer who fails to comply with s. 102.16 (3) or 102.28 (2) for less than 11 days shall forfeit not less than $100 ~~nor~~ and not more than $1,000.

SECTION 13. 102.85 (1) (b) of the statutes is amended to read:

102.85 **(1)** (b) ~~An~~ For each act occurring after the date of the first or 2nd determination of a violation of this subsection, an employer who fails to comply with s. 102.16 (3) or 102.28 (2) for more than 10 days shall forfeit not less than $10 ~~nor~~ and not more than $100 for each day on which the employer fails to comply with s. 102.16 (3) or 102.28 (2).

SECTION 14. 102.85 (1) (c) of the statutes is created to read:

102.85 **(1)** (c) For each act occurring after the date of the 3rd determination of a violation of this subsection, the employer shall be assessed a penalty in the amount of $3,000 for each act, or 3 times the amount of the premium that would have been payable, whichever is greater.

SECTION 15. 102.85 (1) (d) of the statutes is created to read:

102.85 **(1)** (d) For each act occurring after the date of the 4th determination of a violation of this subsection, the employer shall be assessed a penalty in the amount of $4,000 for each act, or 4 times the amount of the premium that would have been payable, whichever is greater.

SECTION 16. 102.85 (2) (intro.) of the statutes is amended to read:

102.85 **(2)** (intro.) ~~An~~ <u>For each act occurring after the date of the first determination under this subsection, an</u> employer who is required to provide worker's compensation insurance coverage under this chapter shall forfeit not less than $100 ~~nor~~ <u>and not</u> more than $1,000 if the employer does any of the following:

SECTION 17. 102.85 (2j) of the statutes is created to read:

102.85 **(2j)** For each act occurring after the date of the 3rd determination under sub. (2), an employer who is required to provide worker's compensation insurance coverage under this chapter shall forfeit $3,000 per violation.

SECTION 18. 102.85 (2k) of the statutes is created to read:

102.85 **(2k)** For each act occurring after the date of the 4th determination under sub. (2), an employer who is required to provide worker's compensation insurance coverage under this chapter shall forfeit $4,000 per violation.

SECTION 19. 103.005 (4m) of the statutes is created to read:

103.005 **(4m)** (a) The department shall design and make available to employers a notice regarding worker classification laws, requirements for employers and employees, and penalties for noncompliance.

(b) All employers shall post, in one or more conspicuous places where notices to employees are customarily posted, the notice designed by the department under par. (a). Any employer who violates this paragraph shall forfeit not more than $100 for each offense.

(c) The department shall establish and maintain on the department's website information regarding worker classification laws, requirements for employers and employees, penalties for noncompliance, and contact information at each state agency that administers worker classification laws.

SECTION 20. 108.221 (1) (a) of the statutes is renumbered 108.221 (1) (a) (intro.) and amended to read:

108.221 **(1)** (a) (intro.) Any employer ~~described in s. 108.18 (2) (c) or engaged in the painting or drywall finishing of buildings or other structures~~ who knowingly and intentionally provides false information to the department for the purpose of misclassifying or attempting to misclassify an individual who is an employee of the employer as a nonemployee shall, for each incident, be assessed a penalty by the department as follows:

1. For each act occurring before the date of the first determination of a violation of this subsection, the employer shall be assessed a penalty in the amount of $500 for each employee who is misclassified~~, but not to exceed $7,500 per incident~~.

SECTION 21. 108.221 (1) (a) 2. of the statutes is created to read:

108.221 **(1)** (a) 2. For each act occurring after the date of the first determination of a violation of this subsection, the employer shall be assessed a penalty in the amount of $1,000 for each employee who is misclassified.

SECTION 22. 108.221 (2) of the statutes is renumbered 108.221 (2) (intro.) and amended to read:

108.221 **(2)** (intro.) Any employer ~~described in s. 108.18 (2) (c) or engaged in the painting or drywall finishing of buildings or other structures~~ who, through coercion, requires an individual to adopt the status of a nonemployee shall be assessed a penalty by the department as follows:

(a) For each act occurring before the date of the first determination of a violation of this subsection, the employer shall be assessed a penalty in the amount of $1,000 for each individual so coerced~~, but not to exceed $10,000 per calendar year~~.

SECTION 23. 108.221 (2) (b) of the statutes is created to read:

108.221 **(2)** (b) For each act occurring after the date of the first determination of a violation of this subsection, the employer shall be assessed a penalty in the amount of $2,000 for each individual so coerced.

SECTION 24. 182.01 (8) of the statutes is created to read:

182.01 **(8)** INFORMATION TO BE PROVIDED WITH BUSINESS FORMATION FILINGS. The department shall provide informational materials and resources on worker misclassification to each person who files with the department any of the following:

(a) Articles of incorporation under s. 180.0202 or 181.0202.

(b) Articles of organization under s. 183.0201.

(c) A statement of qualification under s. 178.0901.

(d) A certificate of limited partnership under s. 179.0201.

SECTION 25. 601.41 (14) of the statutes is created to read:

601.41 **(14)** EMPLOYEE MISCLASSIFICATION OUTREACH AND EDUCATION. The commissioner shall, on at least an annual basis, conduct outreach and education to persons subject to regulation under chs. 600 to 655 on how to identify the misclassification of employees as independent contractors and how to report suspected misclassifications to the appropriate federal and state agencies.

SECTION 26. 943.395 (1) (e) of the statutes is created to read:

943.395 **(1)** (e) Presents an application for worker's compensation insurance coverage that is false or fraudulent or that falsely or fraudulently misclassifies employees to lower worker's compensation insurance premiums.

SECTION 27. Nonstatutory provisions.

(1) INVESTIGATION AND ENFORCEMENT OF WORKER CLASSIFICATION. The department of workforce development shall do all of the following before December 31, 2026:

(a) Require the unemployment insurance division, in coordination with the division of personnel management in the department of administration, to review all recruitment and onboarding programs to ensure that auditor positions are correctly classified and the compensation for auditors is comparable to that in the private labor market.

(b) Review resources available to investigators and auditors and evaluate potential strategies and improvements that could be implemented, including at least all of the following:

1. Cross-training all investigators and auditors working in the department.

2. Adding bilingual staff.

3. Information technology improvements for more efficient exchange of information.

(2) REPORTING. By no later than January 31, 2027, the department of workforce development shall submit a report to the chief clerk of each house of the legislature for distribution to the standing committees of the legislature under s. 13.172 (3) with jurisdiction over workforce development. The report shall include the findings of the department under sub. (1) (a) and (b).

SECTION 28. Fiscal changes.

(1) INVESTIGATION AND ENFORCEMENT OF WORKER CLASSIFICATION. In the schedule under s. 20.005 (3) for the appropriation to the department of workforce development under s. 20.445 (1) (gc), the dollar amount for fiscal year 2025-26 is increased by $157,500 to increase the authorized FTE positions for the department by 3.0 PR positions for the purpose of investigating and enforcing worker classification laws and rules. In the schedule under s. 20.005 (3) for the appropriation to the department of workforce development under s. 20.445 (1) (gc), the dollar amount for fiscal year 2026-27 is increased by $210,000 for the positions authorized under this subsection.

(END)

LRB-4478/1
MED:ads&wlj

2025 ASSEMBLY BILL 467

September 26, 2025 - Introduced by Representatives STROUD, DESANTO, MOORE OMOKUNDE, ANDERSON, ANDRACA, ARNEY, BARE, BROWN, CLANCY, DESMIDT, EMERSON, FITZGERALD, HONG, JOERS, KIRSCH, MADISON, MCCARVILLE, MIRESSE, PHELPS, RIVERA-WAGNER, ROE, SNODGRASS, STUBBS, SUBECK, TENORIO and UDELL, cosponsored by Senators WALL, LARSON, RATCLIFF, ROYS, SMITH, SPREITZER and DASSLER-ALFHEIM. Referred to Committee on Workforce Development, Labor, and Integrated Employment.

AN ACT ***to repeal*** 108.04 (2) (bb) and 108.04 (2) (bd); ***to amend*** 108.04 (2) (a) (intro.) and 108.04 (2) (bm); ***to repeal and recreate*** 108.04 (2) (a) 3. and 108.04 (2) (b) of the statutes; **relating to:** unemployment insurance work search and registration and granting rule-making authority.

Analysis by the Legislative Reference Bureau

Under current law, a claimant for unemployment insurance benefits is generally required to register for work and to conduct a work search for each week in order to remain eligible. Current law requires the Department of Workforce Development to waive these requirements under certain circumstances, for example, if a claimant who is laid off from work reasonably expects to be recalled to work within 12 weeks, will start a new job within four weeks, routinely obtains work through a labor union referral, or is participating in a training or work share program. Under current law, DWD may modify the statutory waivers or establish additional waivers by rule only if doing so is required or specifically allowed by federal law.

This bill removes the waiver requirements from statute and instead allows DWD to establish waivers for the registration for work and work search requirements by rule. DWD may establish a waiver by emergency rule if the secretary of workforce development determines that the waiver is needed only on a temporary basis or that permanent rules are not warranted, and the bill allows the secretary to extend the emergency rule for up to 60 days at a time. Also, the bill specifies that the work search requirement does not apply to a claimant who has been laid off but DWD determines that the claimant has a reasonable expectation to be recalled to work.

For further information see the state and local 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:

SECTION 1. 108.04 (2) (a) (intro.) of the statutes is amended to read:

108.04 **(2)** (a) (intro.) Except as provided in ~~pars.~~ par. (b) ~~to (bd)~~, sub. (16) (am) and (b), and s. 108.062 (10) and (10m) and as otherwise expressly provided, a claimant is eligible for benefits as to any given week only if all of the following apply:

SECTION 2. 108.04 (2) (a) 3. of the statutes is repealed and recreated to read:

108.04 **(2)** (a) 3. The claimant conducts a reasonable search for suitable work during that week and provides verification of that search to the department. The search for suitable work must include at least 4 actions per week that constitute a reasonable search as prescribed by rule of the department. In addition, the department may, by rule, require a claimant to take more than 4 reasonable work search actions in any week. The department shall require a uniform number of reasonable work search actions for similar types of claimants. This subdivision does not apply to a claimant if the department determines that the claimant is currently laid off from employment with an employer but there is a reasonable expectation of reemployment of the individual by that employer. In determining whether the claimant has a reasonable expectation of reemployment by an employer, the department shall request the employer to verify the claimant's employment status and shall consider all of the following:

a. The history of layoffs and reemployments by the employer.

b. Any information that the employer furnished to the claimant or the department concerning the claimant's anticipated reemployment date.

c. Whether the claimant has recall rights with the employer under the terms of any applicable collective bargaining agreement.

SECTION 3. 108.04 (2) (b) of the statutes is repealed and recreated to read:

108.04 **(2)** (b) 1. The department may, by rule, establish waivers from the registration for work requirement under par. (a) 2. and the work search requirement under par. (a) 3.

2. a. The department may promulgate rules under subd. 1. as emergency rules, using the procedure under s. 227.24, if the secretary of workforce development determines that the waiver is needed only on a temporary basis or that permanent rules are not warranted. Notwithstanding s. 227.24 (1) (a) and (3), the department is not required to provide evidence that promulgating a rule under this subd. 2. a. as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and is not required to provide a finding of emergency for a rule promulgated under this subd. 2. a. Except as provided under subd. 2. b., a rule promulgated under this subd. 2. a. remains in effect only for 150 days.

b. Notwithstanding s. 227.24 (2), the secretary of workforce development may extend the effective period of an emergency rule promulgated under subd. 2. a. for a period specified by the secretary not to exceed 60 days. Any number of extensions may be granted under this subd. 2. b. Whenever the secretary extends an emergency rule under this subd. 2. b., it shall file a statement of its action with the legislative reference bureau. The statement shall identify the specific emergency rule to which it relates.

SECTION 4. 108.04 (2) (bb) of the statutes is repealed.

SECTION 5. 108.04 (2) (bd) of the statutes is repealed.

SECTION 6. 108.04 (2) (bm) of the statutes is amended to read:

108.04 **(2)** (bm) A claimant is ineligible to receive benefits for any week for which there is a determination that the claimant failed to comply with the registration for work and work search requirements under par. (a) 2. or 3. or failed to provide verification to the department that the claimant complied with those requirements, unless the department has waived those requirements under par. (b)~~, (bb), or (bd)~~ or s. 108.062 (10m). If the department has paid benefits to a claimant for any such week, the department may recover the overpayment under s. 108.22.

SECTION 7. Initial applicability.

(1) This act first applies to initial claims for benefits filed on the effective date of this subsection.

SECTION 8. Effective date.

(1) This act takes effect on the first Sunday after publication.

(END)

State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-4447/1
MED:wlj

2025 ASSEMBLY BILL 468

September 26, 2025 - Introduced by Representatives HYSELL, ANDRACA, ARNEY, BARE, BROWN, CLANCY, DESMIDT, JOERS, KIRSCH, MADISON, MCCARVILLE, MIRESSE, MOORE OMOKUNDE, PHELPS, RIVERA-WAGNER, ROE, SNODGRASS, STUBBS, SUBECK, TENORIO and UDELL, cosponsored by Senators L. JOHNSON, HESSELBEIN, LARSON, RATCLIFF, SMITH and SPREITZER. Referred to Committee on Workforce Development, Labor, and Integrated Employment.

AN ACT ***to repeal*** 20.445 (1) (aL), 108.04 (5g), 108.04 (8) (b), 108.133 and 108.19 (1s) (a) 5.; ***to renumber and amend*** 108.04 (5) (intro.) and 108.04 (5) (a) to (g); ***to amend*** 49.791 (4) (f) (intro.), 102.43 (9) (e), 108.04 (8) (a), 108.14 (8n) (e), 108.141 (7) (a), 108.141 (7) (b) and 108.16 (6m) (a); ***to create*** 20.445 (1) (am) of the statutes; **relating to:** various changes to the unemployment insurance and worker's compensation laws.

Analysis by the Legislative Reference Bureau

This bill makes various changes to the unemployment insurance and worker's compensation laws, as follows:

Unemployment insurance; substantial fault

Under current law, a claimant for UI benefits whose work is terminated by his or her employer for substantial fault by the claimant connected with the claimant's work is ineligible to receive UI benefits until the claimant satisfies certain requalification criteria. With certain exceptions, current law defines "substantial fault" to include those acts or omissions of a claimant over which the claimant exercised reasonable control and that violate reasonable requirements of the claimant's employer. This bill repeals this provision on substantial fault.

Unemployment insurance; misconduct

Under current law, a claimant for UI benefits whose work is terminated by his or her employer for misconduct by the claimant connected with the claimant's work is ineligible to receive UI benefits until the claimant satisfies certain requalification criteria, and the claimant's wages paid by the employer that terminates the claimant for misconduct are excluded for purposes of calculating benefit entitlement. Current law defines "misconduct" using a general, common law standard derived from *Boynton Cab Co. v. Neubeck*, 237 Wis. 249 (1941), and enumerates several specific types of conduct that also constitute misconduct. Under one of these specific provisions, misconduct includes 1) absenteeism on more than two occasions within the 120-day period before the date of the claimant's termination, unless otherwise specified by his or her employer in an employment manual of which the claimant has acknowledged receipt with his or her signature, or 2) excessive tardiness by a claimant in violation of a policy of the employer that has been communicated to the claimant. In *Department of Workforce Development v. Labor and Industry Review Commission (Beres)*, 2018 WI 77, the supreme court held that an employer could, under the language described above, institute an attendance policy more restrictive than two occasions within the 120-day period.

Current law also provides that absenteeism or tardiness count as misconduct only if the claimant did not provide to his or her employer both notice and one or more valid reasons for the absenteeism or tardiness. In *Bevco Precision Manufacturing v. Labor and Industry Review Commission*, 2024 WI App. 54, the court of appeals held that under *Beres*, this qualifying language did not apply if an employer had adopted its own standard on absenteeism and tardiness, as described above.

The bill does all of the following:

1. Repeals the language referencing "excessive tardiness."

2. Reverses the holding in *Bevco* by providing that a claimant's notice and reason for an occasion of absenteeism or tardiness are to be analyzed under the common law misconduct standard. Under the bill, therefore, an employer may not establish its own policy for determining the reasonableness of absenteeism or tardiness. The bill does not, however, affect the general ability of an employer to institute a standard for absenteeism and tardiness more restrictive than two occasions within the 120-day period before termination.

3. Clarifies, in another provision defining misconduct, that "tribal government" has the meaning given under state and federal law for what is considered an Indian tribe.

Unemployment insurance; drug testing

Current state law requires DWD to establish a program to test certain claimants who apply for UI benefits for the presence of controlled substances in a manner that is consistent with federal law. A claimant who tests positive for a controlled substance for which the claimant does not have a prescription is ineligible for UI benefits until certain requalification criteria are satisfied or unless he or she enrolls in a substance abuse treatment program and undergoes a job skills assessment, and a claimant who declines to submit to a test is simply ineligible for benefits until he or she requalifies. This bill repeals the requirement to establish the drug testing program.

Also under current law, an employer may voluntarily submit to DWD the results of a preemployment test for the presence of controlled substances that was conducted on an individual as a condition of an offer of employment or notify DWD that an individual declined to submit to such a test. If DWD then verifies that submission, the employee may be ineligible for UI benefits until he or she requalifies. However, a claimant who tested positive may maintain eligibility by enrolling in a substance abuse treatment program and undergoing a job skills assessment. This bill repeals these preemployment drug testing provisions.

The bill also repeals an appropriation to DWD for conducting screenings of applicants, testing applicants for controlled substances, the provision of substance abuse treatment to applicants and claimants, and related expenses. The bill replaces the repealed appropriation with a general appropriation to DWD for administration of the UI law.

Worker's compensation; substantial fault

Currently, under the worker's compensation law, an employer is not liable for temporary disability benefits during an employee's healing period if the employee is suspended or terminated from employment due to misconduct by the employee connected with the employee's work. Current law defines "misconduct" by reference to the UI law. The bill changes the definition of "misconduct" under the UI law, which change also applies for purposes of the worker's compensation law as described above.

For further information see the state and local 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:

SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

	2025-26	**2026-27**
20.445 Workforce development, department of		
(1) WORKFORCE DEVELOPMENT		

				2025-26	2026-27
(am)	Unemployment insurance; general administration	GPR	C	-0-	-0-

SECTION 2. 20.445 (1) (aL) of the statutes is repealed.

SECTION 3. 20.445 (1) (am) of the statutes is created to read:

20.445 **(1)** (am) *Unemployment insurance; general administration.* As a continuing appropriation, the amounts in the schedule for administration of ch. 108.

SECTION 4. 49.791 (4) (f) (intro.) of the statutes is amended to read:

49.791 **(4)** (f) *Accepting test results from other programs.* (intro.) For purposes of this section, an administering agency may use results of a drug test performed by the administering agency for the purpose of eligibility for another state program, including a work experience program under s. 49.162~~,~~ or 49.36, ~~or 108.133,~~ performed at the request of the department of corrections, or performed by other drug testing providers as approved by the department to determine whether to refer an able-bodied adult to treatment if all of the following apply:

SECTION 5. 102.43 (9) (e) of the statutes is amended to read:

102.43 **(9)** (e) The employee's employment with the employer has been suspended or terminated due to misconduct, as defined in s. 108.04 (5), ~~or substantial fault, as defined in s. 108.04 (5g) (a),~~ by the employee connected with the employee's work.

SECTION 6. 108.04 (5) (intro.) of the statutes is renumbered 108.04 (5) (cm) and amended to read:

108.04 **(5)** (cm) An employee whose work is terminated by an employing unit for misconduct by the employee connected with the employee's work is ineligible to receive benefits until 7 weeks have elapsed since the end of the week in which the discharge occurs and the employee earns wages after the week in which the discharge occurs equal to at least 14 times the employee's weekly benefit rate under s. 108.05 (1) in employment or other work covered by the unemployment insurance law of any state or the federal government. For purposes of requalification, the employee's weekly benefit rate shall be the rate that would have been paid had the discharge not occurred. The wages paid to an employee by an employer which terminates employment of the employee for misconduct connected with the employee's employment shall be excluded from the employee's base period wages under s. 108.06 (1) for purposes of benefit entitlement. This ~~subsection~~ paragraph does not preclude an employee who has employment with an employer other than the employer which terminated the employee for misconduct from establishing a benefit year using the base period wages excluded under this ~~subsection~~ paragraph if the employee qualifies to establish a benefit year under s. 108.06 (2) (a). The department shall charge to the fund's balancing account any benefits otherwise chargeable to the account of an employer that is subject to the contribution requirements under ss. 108.17 and 108.18 from which base period wages are excluded under this ~~subsection~~ paragraph.

(am) For purposes of this subsection, "misconduct" means one or more actions or conduct evincing such willful or wanton disregard of an employer's interests as is found in deliberate violations or disregard of standards of behavior which an employer has a right to expect of his or her employees, or in carelessness or negligence of such degree or recurrence as to manifest culpability, wrongful intent, or evil design of equal severity to such disregard, or to show an intentional and substantial disregard of an employer's interests, or of an employee's duties and obligations to his or her employer.

(bm) In addition to the conduct described in par. (am), "misconduct" includes all of the following:

SECTION 7. 108.04 (5) (a) to (g) of the statutes are renumbered 108.04 (5) (bm) 1. to 7., and 108.04 (5) (bm) 5. and 7., as renumbered, are amended to read:

108.04 **(5)** (bm) 5. Absenteeism by an employee on more than 2 occasions within the 120-day period before the date of the employee's termination, unless otherwise specified by his or her employer in an employment manual of which the employee has acknowledged receipt with his or her signature, ~~or excessive tardiness by an employee in violation of a policy of the employer that has been communicated to the employee,~~ if the employee does not provide to his or her employer both notice and one or more valid reasons for the absenteeism ~~or tardiness~~. For purposes of this subdivision, an employee's notice and reason for an occasion of absenteeism or tardiness shall be analyzed under the standard specified in par. (am).

7. Unless directed by the employer, a willful and deliberate violation of a written and uniformly applied standard or regulation of the federal government or a state or Indian tribal government by an employee of an employer that is licensed or certified by a governmental agency, which standard or regulation has been communicated by the employer to the employee and which violation would cause the employer to be sanctioned or to have its license or certification suspended by the agency.

SECTION 8. 108.04 (5g) of the statutes is repealed.

SECTION 9. 108.04 (8) (a) of the statutes is amended to read:

108.04 **(8)** (a) ~~Except as provided in par. (b), if~~ If an employee fails, without good cause, to accept suitable work when offered, the employee is ineligible to receive benefits until the employee earns wages after the week in which the failure occurs equal to at least 6 times the employee's weekly benefit rate under s. 108.05 (1) in employment or other work covered by the unemployment insurance law of any state or the federal government. For purposes of requalification, the employee's weekly benefit rate shall be that rate which would have been paid had the failure not occurred. This paragraph does not preclude an employee from establishing a benefit year during a period in which the employee is ineligible to receive benefits under this paragraph if the employee qualifies to establish a benefit year under s. 108.06 (2) (a). ~~Except as provided in par. (b), the~~ The department shall charge to the fund's balancing account any benefits otherwise chargeable to the account of an employer that is subject to the contribution requirements under ss. 108.17 and 108.18 whenever an employee of that employer fails, without good cause, to accept suitable work offered by that employer.

SECTION 10. 108.04 (8) (b) of the statutes is repealed.

SECTION 11. 108.133 of the statutes is repealed.

SECTION 12. 108.14 (8n) (e) of the statutes is amended to read:

108.14 **(8n)** (e) The department shall charge this state's share of any benefits paid under this subsection to the account of each employer by which the employee claiming benefits was employed in the applicable base period, in proportion to the total amount of wages he or she earned from each employer in the base period, except that if s. 108.04 (1) (f), (5), (5g), (7) (a), (c), (cg), (e), (L), (q), (s), or (t), (7m), or

(8) (a) ~~to~~ or (c)~~,~~ or 108.07 (3), (3r), or (5) (am) 2.~~, or 108.133 (3) (f)~~ would have applied to employment by such an employer who is subject to the contribution requirements of ss. 108.17 and 108.18, the department shall charge the share of benefits based on employment with that employer to the fund's balancing account, or, if s. 108.04 (1) (f), (5), or (5g) or 108.07 (3) would have applied to an employer that is not subject to the contribution requirements of ss. 108.17 and 108.18, the department shall charge the share of benefits based on that employment in accordance with s. 108.07 (5) (am) 1. and 2. The department shall also charge the fund's balancing account with any other state's share of such benefits pending reimbursement by that state.

SECTION 13. 108.14 (8n) (e) of the statutes, as affected by 2025 Wisconsin Act .... (this act), is amended to read:

108.14 **(8n)** (e) The department shall charge this state's share of any benefits paid under this subsection to the account of each employer by which the employee claiming benefits was employed in the applicable base period, in proportion to the total amount of wages he or she earned from each employer in the base period, except that if s. 108.04 (1) (f), (5), ~~(5g),~~ (7) (a), (c), (cg), (e), (L), (q), (s), or (t), (7m), or (8) (a) or (c) or 108.07 (3), (3r), or (5) (am) 2. would have applied to employment by such an employer who is subject to the contribution requirements of ss. 108.17 and 108.18, the department shall charge the share of benefits based on employment with that employer to the fund's balancing account, or, if s. 108.04 (1) (f)~~,~~ or (5)~~, or (5g)~~ or 108.07 (3) would have applied to an employer that is not subject to the contribution requirements of ss. 108.17 and 108.18, the department shall charge the share of benefits based on that employment in accordance with s. 108.07 (5) (am) 1. and 2. The department shall also charge the fund's balancing account with any other state's share of such benefits pending reimbursement by that state.

SECTION 14. 108.141 (7) (a) of the statutes is amended to read:

108.141 **(7)** (a) The department shall charge the state's share of each week of extended benefits to each employer's account in proportion to the employer's share of the total wages of the employee receiving the benefits in the employee's base period, except that if the employer is subject to the contribution requirements of ss. 108.17 and 108.18 the department shall charge the share of extended benefits to which s. 108.04 (1) (f), (5), (5g), (7) (a), (c), (cg), (e), (L), (q), (s), or (t), (7m), or (8) (a) ~~to~~ or (c)~~,~~ or 108.07 (3), (3r), or (5) (am) 2.~~, or 108.133 (3) (f)~~ applies to the fund's balancing account.

SECTION 15. 108.141 (7) (a) of the statutes, as affected by 2025 Wisconsin Act .... (this act), is amended to read:

108.141 **(7)** (a) The department shall charge the state's share of each week of extended benefits to each employer's account in proportion to the employer's share of the total wages of the employee receiving the benefits in the employee's base period, except that if the employer is subject to the contribution requirements of ss. 108.17 and 108.18 the department shall charge the share of extended benefits to which s. 108.04 (1) (f), (5), ~~(5g),~~ (7) (a), (c), (cg), (e), (L), (q), (s), or (t), (7m), or (8) (a) or (c) or 108.07 (3), (3r), or (5) (am) 2. applies to the fund's balancing account.

SECTION 16. 108.141 (7) (b) of the statutes is amended to read:

108.141 **(7)** (b) The department shall charge the full amount of extended benefits based on employment for a government unit to the account of the government unit, except that if s. 108.04 (5)~~, (5g),~~ or (7) applies and the government unit has elected contribution financing the department shall charge one-half of the government unit's share of the benefits to the fund's balancing account.

SECTION 17. 108.16 (6m) (a) of the statutes is amended to read:

108.16 **(6m)** (a) The benefits thus chargeable under sub. (7) (a) or (b) or s. 108.04 (1) (f), (5), (5g), (7) (u), (7m), (8) (a) ~~to~~ or (c), (13) (c) or (d) or (16) (e), 108.07 (3), (3r), (5) (am) 2. ~~and~~ or (bm) 3. a., (5m), ~~and~~ or (6), ~~108.133 (3) (f),~~ 108.14 (8n) (e), 108.141, 108.15, 108.151, or 108.152.

SECTION 18. 108.16 (6m) (a) of the statutes, as affected by 2025 Wisconsin Act .... (this act), is amended to read:

108.16 **(6m)** (a) The benefits thus chargeable under sub. (7) (a) or (b) or s. 108.04 (1) (f), (5), ~~(5g),~~ (7) (u), (7m), (8) (a) or (c), (13) (c) or (d) or (16) (e), 108.07 (3), (3r), (5) (am) 2. or (bm) 3. a., (5m), or (6), 108.14 (8n) (e), 108.141, 108.15, 108.151, or 108.152.

SECTION 19. 108.19 (1s) (a) 5. of the statutes is repealed.

SECTION 20. Initial applicability.

(1) UNEMPLOYMENT INSURANCE; SUBSTANTIAL FAULT. The treatment of ss. 108.04 (5g), 108.141 (7) (b), and 108.16 (6m) (a) (by SECTION 18) first applies with respect to determinations issued under s. 108.09 on the effective date of this subsection.

(2) UNEMPLOYMENT INSURANCE; DRUG TESTING. The treatment of ss. 108.04 (8) (b) and 108.133 (4) (a) first applies to initial claims for benefits filed on the effective date of this subsection.

(3) UNEMPLOYMENT INSURANCE; MISCONDUCT. The treatment of s. 108.04 (5)

(intro.) and (a) to (g) first applies with respect to determinations issued under s. 108.09 on the effective date of this subsection.

SECTION 21. Effective dates. This act takes effect on January 4, 2026, except as follows:

(1) UNEMPLOYMENT INSURANCE; DRUG TESTING. The treatment of ss. 108.04 (8) (a) and (b), 108.133, 108.14 (8n) (e) (by SECTION 12), 108.141 (7) (a) (by SECTION 14), 108.16 (6m) (a) (by SECTION 17), and 108.19 (1s) (a) 5. and SECTION 20 (2) of this act take effect on the first Sunday after publication, whichever is later.

(END)

State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-4446/1
MED:wlj

2025 ASSEMBLY BILL 469

September 26, 2025 - Introduced by Representatives DeSmidt, Kirsch, Tenorio, Ortiz-Velez, Emerson, Bare, Roe, McCarville, Stroud, Miresse, Stubbs, Arney, Snodgrass, Subeck, Udell, Moore Omokunde, Neubauer, Madison, Clancy, Phelps, Joers, Johnson, Brown, Palmeri, Andraca and Sheehan, cosponsored by Senators Smith, Pfaff, Roys, Ratcliff, Wall, Larson, Hesselbein, Spreitzer, Habush Sinykin, Wirch, Dassler-Alfheim and Keyeski. Referred to Committee on Workforce Development, Labor, and Integrated Employment.

AN ACT ***to repeal*** 108.02 (26m) and 108.04 (3); ***to amend*** 108.04 (11) (bm) of the statutes; **relating to:** the unemployment insurance waiting period.

Analysis by the Legislative Reference Bureau

Currently, a claimant must wait one week after becoming eligible to receive unemployment insurance benefits before the claimant may receive benefits for a week of unemployment, except for periods during which the waiting period is suspended. The waiting period does not affect the maximum number of weeks of a claimant's benefit eligibility.

This bill permanently deletes the one-week waiting period, thus permitting a claimant to receive UI benefits beginning with his or her first week of eligibility.

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

SECTION 1. 108.02 (26m) of the statutes is repealed.

SECTION 2. 108.04 (3) of the statutes is repealed.

SECTION 3. 108.04 (11) (bm) of the statutes is amended to read:

108.04 **(11)** (bm) The department shall apply any ineligibility under par. (be) against benefits and weeks of eligibility for which the claimant would otherwise be eligible after the week of concealment and within 6 years after the date of an initial determination issued under s. 108.09 finding that a concealment occurred. ~~The claimant shall not receive waiting period credit under sub. (3) for the period of ineligibility applied under par. (be).~~ If no benefit rate applies to the week for which the claim is made, the department shall use the claimant's benefit rate for the claimant's next benefit year beginning after the week of concealment to determine the amount of the benefit reduction.

SECTION 4. Initial applicability.

(1) This act first applies to benefit years beginning on the effective date of this subsection.

SECTION 5. Effective date.

(1) This act takes effect on the Sunday after publication.

(END)

2025 ASSEMBLY BILL 508

October 9, 2025 - Introduced by Representatives SINICKI, KIRSCH, EMERSON, TENORIO, BARE, ROE, MIRESSE, DESMIDT, STUBBS, ARNEY, FITZGERALD, SUBECK, SNODGRASS, UDELL, MOORE OMOKUNDE, CLANCY, MADISON, HONG, PHELPS, JOERS, ANDERSON, ANDRACA, BROWN and JOHNSON, cosponsored by Senators DASSLER-ALFHEIM, RATCLIFF, CARPENTER, HESSELBEIN, LARSON, PFAFF, SPREITZER, HABUSH SINYKIN, WALL and KEYESKI. Referred to Committee on Workforce Development, Labor, and Integrated Employment.

AN ACT ***to repeal*** 108.04 (2) (h) and 108.04 (12) (f) of the statutes; **relating to:** allowing Social Security Disability Insurance recipients to receive concurrent unemployment insurance benefits.

Analysis by the Legislative Reference Bureau

Under current law, in any week in any month that a claimant is receiving a benefit under the federal Social Security Disability Insurance program, that claimant is ineligible for unemployment insurance benefits. This bill repeals that prohibition and allows an otherwise eligible claimant to receive both federal Social Security Disability Insurance benefits and unemployment insurance benefits for the same period.

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:

SECTION 1. 108.04 (2) (h) of the statutes is repealed.

SECTION 2. 108.04 (12) (f) of the statutes is repealed.

SECTION 3. Initial applicability.

(1) This act first applies to weeks of unemployment beginning on the first Sunday after publication.

(END)

State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-4445/1
MED:cdc

2025 ASSEMBLY BILL 532

October 15, 2025 - Introduced by Representatives McCarville, Anderson, Arney, Bare, Brown, Clancy, DeSmidt, Fitzgerald, Hong, Hysell, Joers, Kirsch, Madison, Miresse, Moore Omokunde, Ortiz-Velez, Roe, Subeck, Stubbs, Tenorio and Udell, cosponsored by Senators L. Johnson, Dassler-Alfheim, Larson, Ratcliff, Spreitzer, Keyeski, Habush Sinykin, Hesselbein and Roys. Referred to Committee on Workforce Development, Labor, and Integrated Employment.

AN ACT ***to renumber and amend*** 108.05 (1) (r) and 108.05 (3) (dm); ***to amend*** 227.01 (13) (n); ***to create*** 108.05 (1) (cm), 108.05 (2) and 108.05 (3) (dm) 2. of the statutes; **relating to:** unemployment insurance benefits.

Analysis by the Legislative Reference Bureau

EMPLOYMENT

This bill makes changes regarding the amount of unemployment insurance benefits that a claimant may receive in a given week, as follows:

Increasing maximum weekly unemployment benefits

Under current law, a person who qualifies for unemployment insurance receives a weekly benefit rate equal to a percentage of that person's past earnings, but the weekly benefit rate is capped at $370. This bill changes the maximum weekly benefit rate in the following ways:

1. For benefits paid for weeks of unemployment beginning on or after January 4, 2026, but before January 3, 2027, the maximum weekly benefit rate is capped at $497.

2. For benefits paid for weeks of unemployment beginning on or after January 3, 2027, the maximum weekly benefit rate is increased based upon the change in the consumer price index and is then increased on the same basis annually thereafter.

Increasing unemployment insurance benefit wage cap

Under current law, a person who qualifies for unemployment insurance is ineligible to receive any UI benefits for a week if the person receives or will receive wages or certain other earnings totalling more than $500 (wage cap). This bill changes the wage cap in the following ways:

1. For weeks of unemployment beginning on or after January 4, 2026, but before January 3, 2027, the wage cap is increased to $672.

2. For weeks of unemployment beginning on or after January 3, 2027, the wage cap is increased based upon the change in the consumer price index and is then increased on the same basis annually thereafter.

For further information see the state and local 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:

SECTION 1. 108.05 (1) (cm) of the statutes is created to read:

108.05 **(1)** (cm) For purposes of par. (r), the department shall set the maximum weekly benefit amount as follows:

1. For benefits paid for a week of total unemployment that commences on or after January 5, 2014, but before January 4, 2026, $370.

2. For benefits paid for a week of total unemployment that commences on or after January 4, 2026, but before January 3, 2027, $497.

3. For benefits paid for a week of total unemployment that commences on or after January 3, 2027, the department shall set the maximum weekly benefit amount as provided under sub. (2).

SECTION 2. 108.05 (1) (r) of the statutes is renumbered 108.05 (1) (r) (intro.) and amended to read:

108.05 **(1)** (r) (intro.) Except as provided in s. 108.062 (6) (a), each eligible employee shall be paid benefits for each week of total unemployment ~~that~~

~~commences on or after January 5, 2014,~~ at ~~the~~ <u>a</u> weekly benefit rate ~~specified in this paragraph. Unless sub. (1m) applies, the weekly benefit rate shall~~ equal <u>to</u> 4 percent of the employee's base period wages that were paid during that quarter of the employee's base period in which the employee was paid the highest total wages, rounded down to the nearest whole dollar, except ~~that, if that amount~~ <u>as provided under sub. (1m) and except as follows:</u>

<u>1. If the employee's weekly benefit rate calculated under this paragraph</u> is less than $54, no benefits are payable to the employee ~~and, if that amount~~<u>.</u>

<u>2. If the employee's weekly benefit rate</u> is more than ~~$370~~ <u>the maximum weekly benefit amount specified in par. (cm)</u>, the employee's weekly benefit rate shall be ~~$370 and except that, if~~ <u>the maximum weekly benefit amount specified in par. (cm).</u>

<u>3. If</u> the employee's benefits are exhausted during any week under s. 108.06 (1), the employee shall be paid the remaining amount of benefits payable to the employee under s. 108.06 (1).

<u>(s)</u> The department shall publish on its ~~Internet site~~ <u>website</u> a weekly benefit rate schedule of quarterly wages and the corresponding weekly benefit rates as calculated in accordance with this ~~paragraph~~ <u>subsection</u>.

SECTION 3. 108.05 (2) of the statutes is created to read:

108.05 **(2)** INDEXING. (a) For benefits paid or payable for a week that commences on or after January 3, 2027, the department shall set the maximum weekly benefit amount under sub. (1) (cm) 3. and the wage limitation under sub. (3) (dm) 2. c. by doing the following:

1. Except as provided in subd. 2., calculating the percentage difference between the consumer price index for the 12-month period ending on July 31 of the prior year and the consumer price index for the 12-month period ending on July 31 of the year before the prior year, adjusting the prior year's amount or limitation by that percentage difference, and rounding that result to the nearest whole dollar.

2. If the consumer price index for the 12-month period ending on July 31 of the prior year has not increased over the consumer price index for the 12-month period ending on July 31 of the year before the prior year, setting the amount or limitation at the same amount or limitation that was in effect in the previous year.

(b) An adjustment under this subsection of the maximum weekly benefit amount under sub. (1) (cm) 3. and the wage limitation under sub. (3) (dm) 2. c. shall take effect on the first Sunday in January of each calendar year.

SECTION 4. 108.05 (3) (dm) of the statutes is renumbered 108.05 (3) (dm) 1. and amended to read:

108.05 **(3)** (dm) 1. Except when otherwise authorized in an approved work-share program under s. 108.062, a claimant is ineligible to receive any benefits for a week if the claimant receives or will receive from one or more employers wages earned for work performed in that week, amounts treated as wages under s. 108.04 (1) (bm) for that week, sick pay, holiday pay, vacation pay, termination pay, bonus pay, back pay, or payments treated as wages under s. 108.04 (12) (e), or any combination thereof, totalling more than ~~$500~~ <u>the amount specified in subd. 2</u>.

SECTION 5. 108.05 (3) (dm) 2. of the statutes is created to read:

108.05 **(3)** (dm) 2. The department shall set the wage limitation under subd. 1. as follows:

a. For a week of unemployment that commences before January 4, 2026, $500.

b. For a week of unemployment that commences on or after January 4, 2026, but before January 3, 2027, $672.

c. For a week of unemployment that commences on or after January 3, 2027, the department shall set the wage limitation as provided under sub. (2).

SECTION 6. 227.01 (13) (n) of the statutes is amended to read:

227.01 **(13)** (n) Fixes or approves rates, prices or charges, <u>including a maximum weekly benefit amount or wage limitation under s. 108.05 (2),</u> unless a statute specifically requires them to be fixed or approved by rule.

(END)

State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-4945/1
JC/CH/MW/ES/MD:cdc

2025 ASSEMBLY BILL 547

October 15, 2025 - Introduced by Representatives SNYDER, KAUFERT, KNODL, NOVAK and MELOTIK, cosponsored by Senators TESTIN and FELZKOWSKI. Referred to Committee on Health, Aging and Long-Term Care.

AN ACT ***to repeal*** 961.385 (5) (b); ***to renumber*** 450.07 (1m) and 943.895 (4); ***to renumber and amend*** 450.071 (1), 961.385 (1) (af), 961.385 (1) (aj) and 961.385 (5) (a); ***to amend*** 15.01 (6), 59.54 (25) (a) (intro.), 66.0107 (1) (bm), 66.0125 (3) (a), 66.0125 (3) (c) 1. b., 66.1011 (1), 66.1201 (2m), 66.1213 (3), 66.1301 (2m), 66.1331 (2m), 66.1333 (3) (e) 2., 106.50 (1), 106.50 (1m) (h), 106.50 (1m) (nm), 106.50 (5m) (f) 1., 108.04 (5) (a) (intro.), 111.34 (1) (b), 175.60 (2) (b), 224.77 (1) (o), 234.29, 450.10 (1) (a) (intro.), 452.14 (3) (n), 961.38 (title), 961.385 (1) (ae), 961.385 (2) (intro.), 961.385 (2) (b), 961.385 (2) (cm) 3. a., 961.385 (2) (cs) 1., 961.385 (2) (f), 961.385 (3) (b), 961.385 (6) (a) and 961.385 (6) (b); ***to repeal and recreate*** 66.0418 (title); ***to create*** 15.194 (2), 48.024, 66.0125 (1) (c), 66.0408 (4), 66.0418 (3), 77.54 (75), 94.57, 94.58, 97.29 (1) (h) 12r., 106.54 (6m), 111.32 (9m), 111.32 (12c), 111.34 (3), 224.30 (6), chapter 259, 450.01 (16) (L), 450.03 (1) (eg) and (er), 450.07 (1m) (b), 450.071

(1) (b) 2., 767.445, 943.895 (4) (b), 961.01 (3u), 961.01 (12q), 961.01 (14g), 961.01 (20hm), 961.33, 961.38 (1p), 961.385 (1) (af) 2., 961.385 (1) (aj) 2., 961.385 (2) (am), 961.385 (2) (bc), 961.385 (2) (ct), 961.55 (8) (c) and 961.571 (1) (b) 5. of the statutes; **relating to:** regulating medical cannabis, the prescription drug monitoring program, and providing a penalty.

Analysis by the Legislative Reference Bureau

This bill creates a program that allows a registered patient to possess and use medical cannabis products; allows designated caregivers to possess medical cannabis products on behalf of registered patients; licenses and regulates medical cannabis growers, processors, and testing laboratories; and licenses and regulates dispensaries that sell medical cannabis products. No person may possess, sell, transfer, or transport cannabis or medical cannabis products unless the person is licensed or registered as provided in the bill. Under the bill, "medical cannabis products" includes products in the form of concentrates, oils, tinctures, edibles, pills, topical forms, gels, creams, vapors, patches, liquids, and forms administered by a nebulizer but excludes cannabis in a form that can be smoked. The bill adds medical cannabis to certain provisions under the Prescription Drug Monitoring Program (PDMP) and eliminates the sunset of certain requirements under the PDMP. Major provisions of the bill are summarized as follows.

Office of Medical Cannabis Regulation

The bill creates the Office of Medical Cannabis Regulation to establish and manage the patient and caregiver registry (described below) and to oversee the dispensing of medical cannabis products. The office is attached to the Department of Health Services. The head of the office is a director who is appointed by the governor and confirmed by the senate to serve at the pleasure of the governor. If the position of director of the office remains vacant for a period of at least 90 days and the governor has not filled the vacancy, the bill directs the Joint Committee on Legislative Organization to appoint the director of the office.

DATCP duties

The bill requires the Department of Agriculture, Trade and Consumer Protection to oversee and regulate the growing of cannabis and the processing and testing of medical cannabis products. The bill provides that, subject to certain limitations outlined below, a person may obtain one or more licenses to grow, process, or test cannabis and medical cannabis products.

Cannabis grower licenses

The bill requires any person operating as a cannabis grower to obtain a license such action by the respondent as will effectuate the purpose of the fair employment law, including awarding back pay. Decisions of DWD hearing examiners made under the fair employment law are subject to further review by the Labor and Industry Review Commission and a court.

The bill provides that the fair employment law does not apply to, and therefore does not protect against discrimination or discriminatory practices, any act of an employer based on an individual's use of medical cannabis products, the individual's other use of cannabis, or the individual testing positive for the presence of tetrahydrocannabinols. The bill further explicitly provides that the fair employment law does not require an employer to permit, accommodate, or allow the medical use of a medical cannabis product, or to modify any job or working conditions of any employee who engages in the medical use of medical cannabis products or who for any reason seeks to engage in the medical use of medical cannabis products. The bill also further provides that the fair employment law does not prohibit an employer from refusing to hire, terminating, discharging, disciplining, or otherwise discriminating against an individual with respect to hiring, discharging, tenure, promotion, or compensation, or in terms, conditions, or privileges of employment as a result, in whole or in part, of the individual's medical use of medical cannabis products, the individual's other use of cannabis, or the individual testing positive for the presence of tetrahydrocannabinols, regardless of any impairment or lack of impairment resulting therefrom.

Unemployment insurance; worker's compensation

Currently, an individual whose work is terminated by an employer for misconduct by the employee connected with the employee's work is ineligible to receive unemployment insurance (UI) benefits until the individual satisfies certain conditions. In addition, the wages paid to the individual by that employer are excluded from the employee's base period wages for purposes of calculating the individual's entitlement to UI benefits. "Misconduct," for purposes of these provisions, is defined specifically as including a violation by an employee of an employer's reasonable written policy concerning the use of a controlled substance if the employee 1) had knowledge of the policy and 2) admitted to the use of a controlled substance, refused to take a test, or tested positive for the use of a controlled substance in a test used by the employer in accordance with a testing methodology approved by DWD.

Also under current law, an employer is not liable for temporary disability benefits under the worker's compensation law during an employee's healing period if the employee is suspended or terminated for misconduct as defined above.

The bill retains these provisions regarding misconduct and further provides that such a reasonable written policy may include a drug-free workplace policy and may include a policy that includes testing for the presence of tetrahydrocannabinols.

of domestic abuse, sexual abuse, or stalking, lawful source of income, age, or ancestry.

SECTION 25. 106.50 (5m) (f) 1. of the statutes is amended to read:

106.50 **(5m)** (f) 1. Nothing in this section prohibits an owner or agent from requiring that a person who seeks to buy or rent housing supply information concerning family status, and marital, financial, and business status but not concerning race, color, disability, sexual orientation, ancestry, national origin, <u>lawful use or possession of medical cannabis products under s. 94.57 or ch. 259 or inclusion on the patient and caregiver registry under s. 259.04,</u> religion, creed, status as a victim of domestic abuse, sexual assault, or stalking, or, subject to subd. 2., age.

SECTION 26. 106.54 (6m) of the statutes is created to read:

106.54 **(6m)** The division shall receive complaints under s. 259.04 (2m) (b) of disciplinary action taken in violation of s. 259.04 (2m) (a) and shall process the complaints in the same manner that employment discrimination complaints are processed under s. 111.39.

SECTION 27. 108.04 (5) (a) (intro.) of the statutes is amended to read:

108.04 **(5)** (a) (intro.) A violation by an employee of an employer's reasonable written policy concerning the use of alcohol beverages, or use of a controlled substance or a controlled substance analog, <u>including a drug-free workplace policy and a policy that includes testing for the presence of tetrahydrocannabinols,</u> if the employee:

SECTION 28. 111.32 (9m) of the statutes is created to read:

111.32 **(9m)** "Lawful product" does not include a medical cannabis product.

(1) This act takes effect on the first day of the 7th month beginning after publication.

(END)

State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-4448/1
MED:wlj

2025 ASSEMBLY BILL 622

November 7, 2025 - Introduced by Representatives ARNEY, ANDERSON, BARE, BROWN, CLANCY, DESMIDT, GOODWIN, HONG, JOERS, KIRSCH, MAYADEV, MCCARVILLE, MIRESSE, MOORE OMOKUNDE, ORTIZ-VELEZ, PALMERI, PHELPS, ROE, SNODGRASS, STUBBS, SUBECK, TAYLOR, TENORIO and UDELL, cosponsored by Senators CARPENTER, DASSLER-ALFHEIM, HABUSH SINYKIN, LARSON, RATCLIFF, SMITH and SPREITZER. Referred to Committee on Workforce Development, Labor, and Integrated Employment.

AN ACT ***to repeal*** 108.04 (7) (t) 1.; ***to amend*** 108.04 (7) (e), 108.04 (7) (t) 2., 108.04 (8) (d) (intro.) and 108.04 (8) (dm) of the statutes; **relating to:** various changes to the unemployment insurance law.

Analysis by the Legislative Reference Bureau

This bill makes various changes to the unemployment insurance law, as follows:

Acceptance of suitable work

Under current law, if a claimant for UI benefits fails, without good cause, to accept suitable work when offered, the claimant is ineligible to receive benefits until he or she earns wages after the week in which the failure occurs equal to at least six times the claimant's weekly UI benefit rate in covered employment. Current law specifies what is considered "suitable work" for purposes of these provisions, with different standards applying depending on whether six weeks have elapsed since the claimant became unemployed. Once six weeks have elapsed since the claimant became unemployed, the claimant is required to accept work that pays lower and involves a lower grade of skill.

This bill modifies the provisions described above so that the claimant is not required to accept less favorable work until *10 weeks* have elapsed since the claimant became unemployed.

Quits due to nonsuitable work

Under current law, unless an exception applies, if a claimant for UI benefits quits his or her job, the claimant is generally ineligible to receive UI benefits until he or she qualifies through subsequent employment. Under one such exception, if a claimant quits his or her job and 1) accepted work that was not suitable work under the UI law or work that the claimant could have refused; and 2) terminated the work within 30 calendar days after starting the work, the claimant remains eligible to collect UI benefits. Under the bill, this exemption applies if the claimant terminated that work within *10 weeks* after starting the work.

Quits due to relocations

Under current law, unless an exception applies, if an employee quits his or her job, the employee is generally ineligible to receive UI benefits until he or she qualifies through subsequent employment.

Under one such exception, if the employee's spouse is a member of the U.S. armed forces on active duty and is relocated, and the employee quits his or her job in order to relocate with his or her spouse, the employee remains eligible to collect UI benefits. This bill expands this exception so that it applies to an employee who quits employment in order to relocate with a spouse who is required by any employer, not just the U.S. armed forces, to relocate.

For further information see the state and local 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:

SECTION 1. 108.04 (7) (e) of the statutes is amended to read:

108.04 **(7)** (e) Paragraph (a) does not apply if the department determines that the employee accepted work that the employee could have failed to accept under sub. (8) and terminated the work on the same grounds and within the first ~~30 calendar days~~ <u>10 weeks</u> after starting the work, or that the employee accepted work that the employee could have refused under sub. (9) and terminated the work within the first ~~30 calendar days~~ <u>10 weeks</u> after starting the work. For purposes of this paragraph, an employee has the same grounds for voluntarily terminating work if the employee could have failed to accept the work under sub. (8) (d) to (em) when it was offered, regardless of the reason articulated by the employee for the termination.

SECTION 2. 108.04 (7) (t) 1. of the statutes is repealed.

SECTION 3. 108.04 (7) (t) 2. of the statutes is amended to read:

108.04 **(7)** (t) 2. The employee's spouse was required by ~~the U.S. armed forces~~ his or her employing unit to relocate to a place to which it is impractical for the employee to commute.

SECTION 4. 108.04 (8) (d) (intro.) of the statutes is amended to read:

108.04 **(8)** (d) (intro.) With respect to the first ~~6~~ 10 weeks after the employee became unemployed, "suitable work," for purposes of par. (a), means work to which all of the following apply:

SECTION 5. 108.04 (8) (dm) of the statutes is amended to read:

108.04 **(8)** (dm) With respect to the ~~7th~~ 11th week after the employee became unemployed and any week thereafter, "suitable work," for purposes of par. (a), means any work that the employee is capable of performing, regardless of whether the employee has any relevant experience or training, that pays wages that are above the lowest quartile of wages for similar work in the labor market area in which the work is located, as determined by the department.

SECTION 6. Initial applicability.

(1) The treatment of s. 108.04 (7) (t) 1. and 2. first applies to determinations issued under s. 108.09 on the effective date of this subsection.

(2) The treatment of s. 108.04 (7) (e) first applies to determinations issued under s. 108.09 on the effective date of this subsection.

(3) The treatment of s. 108.04 (8) (d) (intro.) and (dm) first applies to determinations issued under s. 108.09 on the effective date of this subsection.

SECTION 7. Effective date.

(1) This act takes effect on the first Sunday of the 2nd month beginning after publication.

(END)