



Testimony in Support of Assembly Bills 149, 152 & 153
Assembly Committee on Workforce Development and Economic Opportunities
Wednesday, April 12, 2023

Chairman Petryk, Vice-Chair Michalski and members of the Assembly Committee on Workforce Development and Economic Opportunities,

Thank you for accepting my testimony in support of Assembly Bill 149, 152 and 153. We appreciate the committee's consideration of this important legislation.

Assembly Bill 149

AB 149 would address an important issue that employers are experiencing across the state, "ghosting." "Ghosting" is when a prospective employee abruptly cuts off all communication with a potential employer or recruiter, typically after having scheduled or attended an interview, without providing any explanation or follow-up. This trend is occurring nationwide with a recent survey reporting that 76% of employers reporting that they had been ghosted in recent years.¹ AB 149 would ensure that unemployment recipients are making a good faith effort to find a job and not just using prospective employers to fulfill the work search requirement. The bill also includes a formalized mechanism for employers that have been ghosted to report this to DWD.

Assembly Bill 152

AB 152 makes a number of prudent changes to the administration of the UI program. Perhaps most important amongst these changes, is a weekly crosscheck with employment databases, prison records and death records. This provision will improve program integrity and lower the need to recoup overpayments by ensuring that UI recipients are actually eligible for the program.

Assembly Bill 153

AB 153 would tie the number of weekly unemployment benefits an individual could receive to the state's overall unemployment rate. This bill has the potential to benefit both workers and the broader economy in Wisconsin.

By linking the number of weekly unemployment benefits to the state's overall unemployment rate, this legislation would provide a crucial incentive for workers to re-enter the workforce more quickly. This is particularly important in a time when the economy is recovering from the COVID-19 pandemic, and many businesses are struggling to find workers.

Under the proposed legislation, claimants would receive 26 weeks of benefits if the state unemployment rate was greater than 9%. This ensures that those who are facing significant job losses due to economic downturns still have the support they need to get back on their feet. However, as the unemployment rate drops and more job opportunities become available, the number of weeks that claimants can receive benefits would decrease, to as few as 14 weeks if the unemployment rate was at 3.5% or lower.

This approach strikes a balance between providing critical support to workers in times of economic hardship and incentivizing them to find new employment as soon as possible. By promoting faster reemployment and reducing the number of weeks that workers rely on unemployment benefits, this policy has the potential to increase productivity and promote economic growth across the state.

Moreover, this bill has the potential to benefit the state's unemployment trust fund. Indexing unemployment benefits to the unemployment rate can also help to reduce the burden on the state's unemployment trust funds during economic downturns. According to the US Department of Labor, Wisconsin's unemployment trust fund is under the recommended minimum adequate solvency level, ranking 33rd out of 50 states in solvency rating.ⁱⁱ By reducing the number of weeks that workers rely on unemployment benefits during periods of low unemployment, this policy could help to ensure that the trust fund remains solvent and can continue to support workers in times of need.

In total, 11 states have implemented an indexing policy.ⁱⁱⁱ A 2021 study by the Foundation for Government Accountability found that based on experience from other states that had implemented indexing, Wisconsin could expect the average duration of people collecting unemployment benefits to drop from 17.6 weeks to 12.9 weeks.^{iv} With nearly 100,000 available jobs on the Job Center of Wisconsin website, this change would not only benefit small businesses struggling to fill positions but would also help workers reenter the workforce in a timelier manner.

In conclusion, we urge the committee to adopt these bills as they have the potential to benefit not only workers but also businesses and the broader Wisconsin economy. By encouraging more workers to return to the workforce and helping to strengthen the state's unemployment trust fund, these bills could be valuable tools in promoting economic growth and stability in the years ahead.

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ⁱ <https://www.forbes.com/sites/jackkelly/2021/02/17/a-new-study-by-indeed-confirms-that-ghosting-during-the-hiring-process-has-hit-crisis-levels/?sh=5d8eea5799c4>

ⁱⁱ <https://oui.doleta.gov/unemploy/docs/trustFundSolvReport2023.pdf>

ⁱⁱⁱ https://ballotpedia.org/Indexing_unemployment_benefits

^{iv} <https://thefga.org/research/indexing-unemployment-in-the-wake-of-covid19/>