



Testimony in Support of Assembly Bills 150 and 151
Assembly Committee on Labor and Integrated Employment
April 12, 2023

Chairman Penterman, Vice Chair Sapik and Members of the Committees on Labor and Integrated Employment:

Thank you for providing me with the opportunity to submit testimony in favor of Assembly Bill 150 and Assembly Bill 151.

Wisconsin finds itself in a time where jobs are plentiful and voters just recently backed a work requirement for “taxpayer-funded benefits” by a wide margin. The state unemployment rate currently stands at 2.7%,ⁱ well below the national average of 3.5%.ⁱⁱ This has resulted in a labor market where employers are in a tough competition for employees, exemplified in the fact that year-over-year wages in the state have increased by 8.7% according to a September 2022 analysis.ⁱⁱⁱ In such a time, the number of viable excuses for remaining on unemployment long-term dwindle.

Yet despite the tight labor market and high wages, there are those who continually struggle to find employment. According to data from the Bureau of Labor Statistics, about 18.8% of those currently unemployed have been unemployed for more than 27 weeks nationally.^{iv} Though slightly dated, 2021 data^v from Wisconsin had this number at about 32.7%. The two bills we are testifying on today seek to help those who find themselves in that position.

In this hot market for employees, simply submitting an application can lead to decent odds of getting a job. However, one cannot get a job without actually filling out an application. Somewhat absurdly, under current law, those on unemployment can satisfy job search requirements without formally applying for jobs. But those receiving unemployment benefits should not be allowed to exercise excessive discernment when job opportunities present themselves. AB 150 addresses this with a commonsense provision that applications must be submitted.

The number of Americans who are not hired because of a failed drug test has also increased in recent years. A 2021 analysis from Quest Diagnostics--one of the largest employment drug screening companies in the nation—found a 30% increase in the number of employees failing drug tests between 2010 and 2021.^{vi} It is vital that individuals on unemployment be ready for an opportunity by being able to pass a drug screening, and AB 150 would go a long way to accomplishing that.



Under current law, the Department of Workforce Development (DWD) was required to set up rules to remove those who test positive for drugs from the unemployment rolls for those interested in positions where drug testing is often required. But DWD has dragged its feet in creating these rules, and this bill would force them into action.

As an organization that regularly evaluates state policy initiatives, we think it is vital that policymakers and the public have solid data about how effective DWD and other agencies are in carrying out their goal of getting people back to work. AB 151 would require that annual reports be produced that would help interested parties make honest and objective assessments of that effectiveness.

As a state with low population growth, it is even more important in Wisconsin than in other states that we make full use of the capabilities of every single Wisconsinite when it comes to meeting our state's labor force needs. These bills represent an important step in ensuring that happens.

Please feel free to reach out should you have any questions.

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ⁱ <https://fred.stlouisfed.org/series/WIUR>

ⁱⁱ <https://tradingeconomics.com/united-states/unemployment-rate>

ⁱⁱⁱ <https://www.bls.gov/charts/county-employment-and-wages/percent-change-aww-by-state.htm#:~:text=Percent%20change%20in%20average%20weekly%20wages%20by%20state%2C,%241%2C309%3A%20%241%2C466%3A%20%24157%3A%20Colorado.%205.6%25%3A%20%241%2C170%3A%20%241%2C235%3A%20%2465>

^{iv} <https://www.bls.gov/charts/employment-situation/duration-of-unemployment.htm>

^v <https://www.bls.gov/opub/geographic-profile/>

^{vi} <https://www.prnewswire.com/news-releases/workforce-drug-test-positivity-climbs-to-highest-level-in-two-decades-finds-quest-diagnostics-drug-testing-index-analysis-301513730.html>