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To: The Assembly Committee on Workforce Development, Labor, and Integrated Employment

From: Rep. Jerry L. O'Connor

Re: Assembly Bill 162

Good morning, Chair Melotik and members of the committee. Thank you for taking the time to hear my testimony on AB 162.

In 2021 the Wisconsin Legislative Council investigated the organization of Wisconsin's workforce development system. According to the report, there are 9 agencies in our state that oversee at least 45 different workforce development programs. Unfortunately, neither the public nor policymakers have a standard metric for assessing the effectiveness of these training programs.

The intent of many programs such as these is commendable but too often we do not receive adequate feedback to measure the effectiveness and benefits of the particular program. The goal of the bill is to gather needed metrics to allow agencies and the legislature to make better-informed decisions. This will equip decision-makers to make dynamic adjustments, as they become apparent, and allow programs to better achieve their maximum effectiveness.

When the private sector invests in multiple approaches (as in the case of the 45+ DWD programs) to meet the needs of their clients, they put in place a set of metrics so they can measure the effectiveness of the process, reduce duplication, quantify the cost-benefit ratio or ROI and qualify if the programs are achieving their desired outcome.

With these metrics, the organization can better use this information to focus its efforts and monies on attaining its desired outcome. Should that also be the same for State Government?

Several of these workforce programs are supported by the federal government's Workforce Innovation and Opportunity program, which is managed by the Department of Workforce Development (DWD). One of the requirements for receiving these funds is to report on the outcomes of the various programs. These required metrics are as follows:

- The employment rate of individuals 2 quarters after their exit
- The employment rate of individuals 4 quarters after their exit
- The median earnings of individuals 2 quarters after their exit
- The percent of individuals enrolled in a training program who attained a recognized credential
- The percent of individuals enrolled in a training program who obtained a measurable skill gain
- How effective was the program in serving employers?

AB 162 simply requires any state agency that runs or participates in a workforce development program or activity to track and report the same data that DWD is required to track and report for its workforce programs under federal law.

This simple but significant change would allow the public and policymakers to assess the effectiveness of various workforce programs, allowing us to continue to invest in ideas that work.



DAVE ARMSTRONG

STATE REPRESENTATIVE • 67TH ASSEMBLY DISTRICT

Testimony on Assembly Bill 162 April 9, 2025

Thank you for the opportunity to submit testimony on behalf of Assembly Bill 162.

The State of Wisconsin administers at least 45 different workforce development programs across at least nine different agencies. Each of these programs fills a different niche, taking a different approach or addressing a different population. However, the multiplicity of these programs and goals can make it difficult to evaluate their overall effectiveness in accomplishing the one big goal that unites them – getting Wisconsin residents to work.

Several of Wisconsin's workforce development programs are required under the federal Workforce Innovation and Opportunity Act to report on six performance metrics. These metrics are:

1. The percentage of participants who are employed during the *second quarter* after exiting the program
2. The percentage of participants who are employed during the *fourth quarter* after exiting the program
3. The *median income* of participants who are employed during the second quarter after exiting the program
4. The percentage of participants who earned a *postsecondary credential or a secondary diploma* or equivalent during their participation in the program or within a year after exiting the program
5. The percentage of participants who are in an education or training program that leads to a postsecondary credential or employment and who are achieving *measurable, relevant skill gains*
6. The percentage of participants who are employed during the second quarter after exiting the program and who are employed by the *same employer* in the fourth quarter.

AB 162 simply applies these same metrics to Wisconsin's other workforce development programs. It also requires that these reports be submitted to the appropriate legislative committees and the data be collected and published on a single, state-maintained website.

I recognize that this will not necessarily be a perfect fit for all workforce programs. However, this broad approach will help policy makers to make as close to an apples-to-apples analysis as possible when determining what is working and where there is room for improvement.

Thank you for your consideration of AB 162.



DAN FEYEN

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To: The Assembly Committee on Workforce Development, Labor, and Integrated Employment
From: Sen. Dan Feyen
Re: Assembly Bill 162

Hello members of the committee, thank you for taking the time to hear testimony on AB 162.

To put it simply, this bill standardizes how we measure the success of each of our workforce development programs.

Under our current system, there are 45 separate workforce development programs scattered across 9 different agencies. Each one of these programs offer different benefits, incentives, or training aimed at bolstering the state's workforce. Many of these programs are doing a great job, but there is no universal way for policy makers or the public to gauge their effectiveness.

AB 162 creates a standard for evaluating workforce development programs, which will paint a much clearer picture of what is working and what is not.

This bill requires each agency running a workforce development program to use the same reporting metrics that the Department of Workforce Development uses for programs supported by the federal Workforce Innovation and Opportunity Program.

The standard reporting would include:

1. Measuring employment rate both 2 quarters and 4 quarters after exiting the program.
2. Median earnings 2 quarters after exiting.
3. Percentage who enrolled in training and went on to attain a recognized credential.
4. Percentage who enrolled in training and obtained a measurable skill gain.
5. How effective the program was in serving employers.

AB 162 is a simple bill that will provide clear measurable for evaluating our workforce development program. Thank you very much for holding a public hearing on this bill.

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Tony Evers, Governor
Amy Pechacek, Secretary

Written Testimony on AB 162
Amy Pechacek, Secretary Department of Workforce Development
April 9, 2025

Chair Michalski, Vice-Chair Snyder, Ranking Member Sinicki and Members of the Assembly Committee on Workforce Development, Labor, and Integrated Employment, thank you for the opportunity to provide written testimony for information only on AB 162. Thanks to Representative Armstrong and Senator Feyen for their interest in workforce metrics.

AB 162 requires any state agencies that operate, coordinate, or oversee specified workforce development programs or activities to track and report, at least annually, on the performance of that program using the primary indicators of performance under the federal Workforce Innovation and Opportunities Act (WIOA).

The WIOA, as amended during the Obama Administration, is marquee federal legislation to improve workforce services for job seekers, including youth and those with historical barriers to unemployment, into high-quality job and careers, as well as helping employers hire and retain workers. WIOA also requires States and local areas to enhance coordination and partnerships with local entities and supportive service agencies for strengthening service delivery. DWD's WIOA programs are successfully administered in conjunction with its partners, the Workforce Development Boards, the Wisconsin Technical College System, the Department of Public Instruction, the Department of Children and Families, the Wisconsin Economic Development Corporation, employers, employees, job seekers, students among other partners.

Building off its WIOA programs' successes, DWD already uses the approaches learned through WIOA in other training programs when applicable. For example, DWD has used its WIOA-trained staff to administer the Workforce Innovation Grants under Governor Evers's Workforce Solutions Initiatives. However, not all programs fit into WIOA's structure, and, in fact, some of DWD's state programs have their own statutory requirements that do not necessarily align with the WIOA requirements. For example, the Wisconsin Fast Forward grant program, a long-standing state-funded workforce training program, is designed to award funds to businesses from all Wisconsin industry sectors that reimburse the costs of customized occupational training for unemployed, underemployed, and incumbent workers. The customized, business-driven training will qualify workers for full-time employment, higher level employment, or increased wages. It is available to all industry sectors and companies of any size. The Wisconsin Fast Forward program has its own reporting structure, performance metrics, and compliance requirements set under state law and regulations that would need to be modified under the proposed bill. **DWD would like to continue to operate Wisconsin Fast Forward, and other non-WIOA workforce training programs, with flexibility and innovation to best meet local workforce needs.**

Thank you for the opportunity to provide testimony. Please do not hesitate to reach out with any questions.



TO: Members, Assembly Committee on Workforce Development, Labor and Integrated Employment

FROM: Rachel Ver Velde, Associate Vice President of Government Relations

DATE: April 9, 2025

RE: Support for Assembly Bills 162, 167, 168 and 169; changes to the unemployment insurance law

Wisconsin Manufacturers & Commerce (WMC) appreciates the opportunity to testify in support of Assembly Bills 162, 167, 168 and 169. Thank you, Chairman Melotik, for holding this hearing and highlighting a key concern of employers throughout Wisconsin.

WMC is the largest general business association in Wisconsin, representing approximately 3,800 member companies of all sizes, and from every sector of the economy. Since 1911, our mission has been to make Wisconsin the most competitive state in the nation to do business. That mission includes making sure Wisconsin's employers have a capable and willing workforce.

While the worker shortage has improved for Wisconsin employers recently, too many are still unable to fill key positions. According to WMC's most recent *Wisconsin Employer Survey* released in January 2025, 63% of employers indicate that they are struggling to hire workers. Employers tell us that it is particularly difficult to find workers with the right skills and training.

Employers are also concerned that many people have simply dropped out of the workforce and are no longer looking for work. Wisconsin's labor force participation rate is currently 65.8%, which is better than the national average. However, it is significantly lower than our state's peak of 74.5% in 1997. Further, it is concerning that our current level is the same as the labor participation rate at the height of the pandemic in April 2020.

This labor participation rate is unsustainable for employers in Wisconsin, especially when coupled with low birth rates. If we want to continue to be a leader in manufacturing, agriculture and other industries, we must have a strong workforce. That is why it is important that government policies do not keep or place individuals on the sidelines.

Assembly Bill 162:

It is important to have a standard set of metrics for all of Wisconsin's workforce development programs. With multiple agencies overseeing a multitude of programs, it is important that the legislature, business community and public can evaluate the effectiveness of each program. This legislation's commonsense requirement to report this data in the same format utilizing the primary

indicators of performance under the Workforce Innovation and Opportunity Act (WIOA) will allow equal evaluation of the quality of each program and will tell us which programs are the best to utilize in the future.

Assembly Bill 167:

WMC members are very supportive of work search audits and additional oversight for enhanced federal benefits. The pandemic supplemental unemployment benefits provided a financial incentive for workers to remain on the sidelines, instead of filling desperately needed jobs. Employers were extremely disappointed that Governor Evers vetoed legislation to end the \$300 per week extra unemployment benefit. That would have provided meaningful relief to our economy. In August of 2021, we had an unemployment rate of 3.9%. When the \$300 per week benefit finally phased out in September, 36,435 fewer people collected unemployment benefits by December – a 30% drop in just four months. Those people didn't stay home once the extra benefits ended, they went back to work: Wisconsin added 34,854 workers during the same timeframe. Imagine how much more productive our economy could have been if we had stopped paying people not to work sooner.

Assembly Bill 168:

The pandemic showed that flexibility in staffing at the Department of Development (DWD) is vitally important. WMC believes that this bill makes sensible changes to allow employees from other agencies to help alleviate unemployment insurance backlogs at DWD. WMC is also supportive of the requirement to double check a claimant's identity, including weekly crosschecks with prison, employment, immigration and death databases.

Assembly Bill 169:

WMC members continually have individuals miss interviews or fail to respond to interview requests. It is common for employers to have half or even less of their scheduled interviews actually show up. Unemployment insurance claimants are saying they are fulfilling their work search requirements in order to keep benefits, but they are not actually looking for a job. This legislation creates a needed curb on this practice by saying if the claimant does this, they are not considered to have conducted a reasonable search for work in a week and therefore they lose their weekly benefit for that week.

WMC urges members of the Assembly Committee on Workforce Development, Labor and Integrated Employment to vote in support of Assembly Bills 162, 167, 168 and 169. The reforms in these four bills are important for the health of Wisconsin's workforce and will allow employers to stay and expand in Wisconsin. These reforms will encourage people into the workforce and allow them to experience the dignity of work.



**Statement Before the
Assembly Committee on Workforce Development, Labor
And Integrated Employment**

By

**Bill G. Smith
State Director
National Federation of Independent Business
Wisconsin**

Wednesday, April 9, 2025

Assembly Bills 167, 169, 168, 162

Chair Melotik, members of the Committee, my name is Bill G. Smith, State Director for the National Federation of Independent Business (NFIB), and I appear today on behalf of over 10,000 Wisconsin member firms located throughout Wisconsin, and I report to you today that many of these firms are struggling with a full menu of economic challenges:

- Inflation
- Supply issues
- Economic Uncertainty
- Labor issues

Since 1974, NFIB's Research Foundation has collected Small Business Economic Trends data with a quarterly survey of our members, and since 1986, these quarterly snapshots of the small business economy that have been done on a monthly basis emphasizes the small employer labor market.

The bills before the committee today for your consideration would help provide unemployed individuals with incentives and encouragement to join or return to the workforce, while also responding to the worker shortage currently challenging our small business employers.

Assembly Bill 167 would provide important updates to the misconduct statute, creates legislative oversight of enhanced federal benefits and improves the monitoring of the requirements for work search.

Assembly Bill 169 would respond to a common concern from small business employers that too often applicants for jobs fail to show for interviews or report for work when hired.

**National Federation of Independent Business in Wisconsin
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**Statement Before the Assembly Committee on Workforce Development, Labor and
Integrated Employment
Wednesday, April 9, 2025**

Assembly Bill 168 would make several administrative changes including new procedures to detect fraud, creation of a call center to assist claimants and employers, and a requirement that DWD create an education and training program for employers, employees and claimants.

Assembly Bill 162, the workforce metrics proposal, would provide valuable data and performance related oversight of the workforce under the federal Workforce Innovation and Opportunity Act.

The unemployment insurance program is not a welfare program. It is a program designed with the intent to provide temporary financial assistance to those individuals who lose their job through no fault of their own.

Unemployment insurance is an important program, funded by employers, that helps protect communities and small businesses from hardship generated by economic downturns. It provides timely financial assistance to unemployed workers, but it was not intended nor should it provide a disincentive for individuals from seeking and obtaining employment.

According to the March Jobs Report by NFIB's Research Center, 40 percent of small business owners reported job openings they could not fill, up two points from February. Among the 53 percent of owners hiring or trying to hire, 87 percent said they had few or no qualified applicants for the positions they were trying to fill.

Importantly, a net 38 percent reported raising compensation, up 5 points from February. Clearly small business employers are feeling pressured to retain and attract employees.

Clearly, the labor market continues to be a big challenge for small business employers. NFIB supports passage of these bills because they will help put jobs back on Main Street by providing assistance to UI claimants, creating incentives for individuals to join or return to the workforce, and improve the labor participation rate of the state's workforce.

No one has a greater responsibility or ability to lead the economy of our state than our small business owners.

The Legislature has a special obligation, we believe, to ensure that public policies help promote and encourage the creation and growth of small business, and also to sustain the small business community throughout our state.

I hope you found the economic data – specific to small business – that I shared with you to be helpful as you consider public policies that impact our state's vital small business community, and I respectfully urge your support for passage of these important bills relating to unemployment insurance reform.

Thank you.