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To: The Senate Committee on Government Operations, Labor and Economic Development
From: Sen. Dan Feyen
Re: Senate Bill 201

Hello members of the committee, thank you for taking the time to hear testimony on SB 201.

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.

SB 201 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.

SB 201 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.



DAVE ARMSTRONG

STATE REPRESENTATIVE • 67TH ASSEMBLY DISTRICT

Testimony on Assembly Bill 162/Senate Bill 201 May 6, 2025

Thank you for the opportunity to testify on behalf of Assembly Bill 162 and Senate Bill 201.

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 and SB 201 simply apply 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.

The Assembly passed AB 162 in April, and I thank you for your consideration of this legislation in the Senate.

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Tony Evers, Governor
Amy Pechacek, Secretary

Written Testimony on SB 201
Amy Pechacek, Secretary Department of Workforce Development
May 6, 2025

Chair Feyen, Vice-Chair Kapenga, Ranking Member Spreitzer and Members of the Senate Committee on Government Operations, Labor and Economic Development, thank you for the opportunity to provide written testimony for information only on SB 201. Thank you to Senator Feyen and Representative Armstrong for their interest in workforce metrics.

SB 201 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).

WIOA helps connects job seekers (including youth and those with historical barriers to unemployment) with high-quality jobs and careers, while 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 to strengthen 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, Senate Committee on Government Operations, Labor & Economic Development

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

DATE: May 6, 2025

RE: Support for Senate Bills 196, 197, 198, 200 and 201; changes to the unemployment insurance law

Wisconsin Manufacturers & Commerce (WMC) appreciates the opportunity to testify in support of Senate Bills 196, 197, 198, 200 and 201. Thank you, Chairman Feyen, 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 65.2%, 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.

Senate Bill 196/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.

Senate Bill 197/Assembly Bill 164:

WMC is glad to see this bill rightly change the focus of unemployment insurance to reemployment. It is important that individuals have access to career coaching and an individualized employment plan in order to set them up for future success. WMC is also supportive of requiring at least two of the required work search actions be direct contacts with potential employers starting with the third week and all subsequent weeks of a claimant's benefit year.

Senate Bill 198/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.

Senate Bill 200/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.

Senate Bill 201/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.

WMC urges members of the Senate Committee on Government Operations, Labor & Economic Development to vote in support of Senate Bills 196, 197, 198, 200 and 201. The reforms in these five 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.