WORKFORCE DEVELOPMENT

Budget Summary						FTE Position Summary				
		Governor		2019-21 Change Over Base Year Doubled			Governor		2020-21 Over 2018-19	
Fund	2018-19 Adjusted Base	2019-20	2020-21	Amount	%	2018-19	2019-20	2020-21	Number	%
GPR	$46,379,200	$40,152,700	$40,172,500	- $12,433,200	- 13.4%	150.82	150.82	150.82	0.00	0.0%
FED	207,411,600	202,632,700	201,644,000	- 10,546,500	- 2.5	1,167.18	1,164.18	1,164.18	- 3.00	- 0.3
PR	76,712,400	77,265,500	77,326,700	1,167,400	0.8	218.25	218.25	218.25	0.00	0.0
SEG	25,033,500	25,666,800	25,678,200	1,278,000	2.6	72.80	109.30	109.30	36.50	50.1
TOTAL	$355,536,700	$345,717,700	$344,821,400	- $20,534,300	- 2.9%	1,609.05	1,642.55	1,642.55	33.50	2.1%

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$1,073,800	0.00
FED	3,472,200	- 3.00
PR	1,167,400	0.00
SEG	1,278,000	0.00
Total	$6,991,400	- 3.00

Governor: Adjust the agency's base budget by $527,000 GPR, $1,709,000 FED, -3.00 FED positions, $553,100 PR, and $633,300 SEG in 2019-20, and $546,800 GPR, $1,763,200 FED, $614,300 PR, and $644,700 SEG in 2020-21. The adjustments are for: (a) turnover reduction (-$226,100 GPR, -$1,689,200 FED, -$446,800 PR, -$89,300 SEG annually); (b) removal of noncontinuing elements from the base (-$347,400 FED and -3.00 FED positions in 2019-20 and -$372,700 FED in 2020-21); (c) full funding of continuing position salaries and fringe benefits ($726,700 GPR, $4,432,400 FED, $396,400 PR, and $645,100 SEG annually); (d) overtime ($153,600 PR annually); and (e) full funding of lease and directed moves costs ($26,400 GPR, -$686,800 FED, $449,900 PR, and $77,500 SEG in 2019-20, and $46,200 GPR, -$607,300 FED, $511,100 PR, and $88,900 SEG in 2020-21).

Incorporate the changes enacted as part of 2017 Wisconsin Act 370, which converted the Department of Workforce Development's (DWD) continuing GPR appropriation for workforce training grants and services into eight separate annual GPR appropriations.

2. TRANSFER WORKER'S COMPENSATION ADJUDICATORY FUNCTIONS FROM DHA TO DWD

	Positions
SEG	36.50

Governor: Transfer the adjudicatory functions related to a contested

worker's compensation claim from the Department of Administration (DOA) Division of Hearings and Appeals (DHA) to DWD and transfer 36.5 positions to DWD related to these functions. Funding associated with the 36.5 positions would continue to be provided from DWD's worker's compensation SEG appropriation, but convert supplies and services funding of $2,400,000 in 2019-20 and $4,800,000 in 2020-21 as follows to reflect the transfer of positions from DHA to DWD: (a) in 2019-20, $1,643,400 in permanent position salaries and $756,600 in fringe benefits; and (b) in 2020-21, $3,286,800 in permanent positions salaries and $1,513,200 in fringe benefits. Specify that the effective date of the transfer would be January 1, 2020.

Repeal the transfer of adjudicatory functions from DWD to DHA as provided under 2015 Wisconsin Act 55 and repeal statutory references giving DHA concurrent jurisdiction over certain program matters. Modify statutory sections within the state's Worker's Compensation Act (Chapter 102) that currently refer to DHA ("Division") to instead refer to DWD ("Department").

Under current law, DWD and DHA jointly administer the state worker's compensation law. DWD is primarily responsible for worker's compensation claims where a formal hearing is not scheduled, and DHA when a claim is contested. Prior to 2015 Act 55, DWD performed all administrative responsibilities and most adjudicatory functions related to worker's compensation. Adjudicatory functions include hearing disputed worker's compensation claims, adjudicating disputes over the reasonableness of fees charged for health services provided to an injured employee and of the amount charged for prescription drugs dispensed to an injured employee (reasonableness of fees), and hearing disputes over the necessity of treatment provided to an injured employee (necessity of treatment). Act 55 transferred these worker's compensation adjudicatory functions and 32.0 positions from DWD to DHA. 2017 Wisconsin Act 59 transferred an additional 4.5 positions related to the adjudication of worker's compensation claims from DWD to DHA.

Provide that on the effective date of the transfer, 36.5 DHA positions, assets, liabilities, tangible personal property, pending matters, contracts, administrative rules, and orders primarily related to worker's compensation matters, as determined by the DOA Secretary, transfer to DWD. Provide that incumbent employees transferred to DWD would retain their employee rights and status held immediately before the transfer, and provide that employees transferred to DWD who have attained permanent status would not be required to serve a probationary period. Provide that DWD would carry out any obligations under any contracts transferred from DHA related to the program, unless modified or rescinded by DWD to the extent allowed by the contract. Provide that any worker's compensation matter pending with DHA transfer to DWD. All materials submitted to, or actions taken by, DHA related to the pending matters would be considered as having been submitted to or taken by DWD. Provide that all orders issued and administrative rules promulgated by DHA in effect on the effective date of the transfer that are primarily related to worker's compensation matters, as determined by the DOA Secretary, would remain in effect until their specified expiration dates or until amended or repealed by DWD. [See "Administration -- Transfers."]

[Bill Sections: 420 thru 422, 1104 thru 1108, 1111 thru 1213, 1215 thru 1241, 1847 thru 1850, 9150(1), and 9450(1)]

3. FEDERAL APPROPRIATIONS REESTIMATE

FED	- $14,018,700

Governor: Delete $6,487,900 in 2019-20 and $7,530,800 in 2020-21 to align federal expenditure authority with the amount of revenue that DWD estimates will be deposited into appropriations. The adjustments are as follows:

DWD Federal Appropriations Reestimates

Appropriation	2019-20	2020-21
Workforce investment and assistance	-$2,904,400	-$2,904,400
Unemployment administration	1,264,500	1,208,800
Vocational rehabilitation; project aids	-4,848,000	-5,835,200
Total	-$6,487,900	-$7,530,800

4. LABOR AND INDUSTRY REVIEW COMMISSION ADMINISTRATIVE ATTACHMENT

Governor: Transfer the administrative attachment for the Labor and Industry Review Commission (LIRC) from DOA to DWD. LIRC would be attached to DWD under s. 15.03 of the statutes for limited administrative purposes, such as accounting, budget, and general program management. Under current law and the bill, LIRC retains policy-making and adjudicatory functions prescribed to it. Also, LIRC's biennial agency budget request is to be forwarded to the Governor without change by the agency to which LIRC is attached, except instances in which LIRC agrees to any change.

[Bill Sections: 37, 40, and 314]

5. INDEPENDENT LIVING CENTERS

Governor: Amend DWD's vocational rehabilitation services program federal aids and operations appropriation to specify that from the moneys received from the Social Security Administration, pursuant to federal law, DWD must in each fiscal year transfer the lesser of $600,000 or the amount received to the Department of Health Services (DHS) independent living center grants appropriation.

Current law requires DWD to transfer $600,000 to DHS. DWD receives money from the federal Social Security Administration as reimbursement for individuals who gain employment with assistance from the vocational rehabilitation program and no longer receive certain benefits from the Social Security Administration. DWD subsequently transfers funding to DHS, who uses it to provide grants to independent living centers for providing non-residential services to disabled individuals.

[Bill Section: 231]

Employment and Training

1. CAREER AND TECHNICAL EDUCATION GRANTS AND COMPLETION AWARDS

GPR	- $7,000,000

Governor: Transfer the authority to award career and technical education (CTE) incentive grants and career and technical education completion awards from DWD to the Department of Public Instruction (DPI). Delete $3,500,000 annually for the incentive grants and transfer the career and technical education incentive grants annual appropriation to DPI. Transfer the GPR sum sufficient appropriation for the career and technical education completion awards to DPI.

The career and technical education incentive grant program awards incentive grants of $1,000 to school districts for each person completing an approved industry-recognized certification program. The technical education completion award program provides completion awards of $500 to each person who completes an industry-recognized certification program. The bill would transfer authority to approve programs eligible for grant funding to the State Superintendent, as well as the authority to prorate payments if funding for CTE grants is insufficient to fully fund payments in any year.

Repeal the requirement that DWD and DPI enter into a memorandum of understanding setting forth their respective responsibilities in administering the program, and requiring DWD to annually provide funds to DPI to make payments under the programs. Maintain the requirement that the State Superintendent annually confer with DWD and the Wisconsin Technical College System (WTCS) to identify industries and occupations facing workforce shortages or shortages of adequately trained, entry-level workers, and annually notify school districts of the identified industries and occupations. [See "Public Instruction -- Categorical Aids."]

[Bill Sections: 226, 227, 1330 thru 1334, and 1336 thru 1338]

2. DELETE EARLY COLLEGE CREDIT PROGRAM FUNDING

GPR	- $3,507,000

Governor: Repeal DWD's tuition reimbursement GPR appropriation and delete $1,753,500 annually. Under current law, the amounts in the appropriation are to reimburse DPI for payments made to school districts under the early college credit program. The program allows high school pupils to enroll in an institution of higher education for the purpose of taking courses for high school credit, college credit, or both. DWD reimburses school districts and governing bodies of private schools as follows for the eligible tuition costs of pupils taking higher education courses: (a) 25% of tuition costs for courses taken for high school credit; or (b) 50% of tuition costs for courses taken for postsecondary credit. The bill would delete the early college credit program, and instead create new dual enrollment programs under the UW System and WTCS. [See "Public Instruction -- Choice, Charter, and Open Enrollment," "Wisconsin Technical College System," and "University of Wisconsin System."]

[Bill Sections: 229 and 1325]

3. TECHNICAL EDUCATION EQUIPMENT GRANT PROGRAM

GPR	- $1,000,000

Governor: Transfer $500,000 GPR annually and DWD's technical education equipment grant appropriation to DPI. Transfer from DWD to DPI all provisions in current law that specify the requirements of awarding grants under the technical education equipment grant program. [See "Public Instruction -- Categorical Aids."]

The technical education equipment grant program awards up to $50,000 for school districts to purchase equipment and related software used in advanced manufacturing fields and to train pupils on such equipment. Districts must match at least double the amount of a technical education equipment grant.

[Bill Sections: 228 and 1339]

4. TEACHER DEVELOPMENT GRANTS

GPR	- $1,000,000

Governor: Repeal DWD's grants for teacher training GPR appropriation and delete $500,000 annually associated with the appropriation. Combine certain provisions from DWD's teacher training program funded from this appropriation with certain provisions from DWD's teacher development grant program and transfer the combined teacher development training and recruitment grants program to DPI. Rename and transfer DWD's teacher development program grants annual GPR appropriation to DPI to fund the newly created grants program under DPI. [See "Public Instruction -- Categorical Aids."]

Under current law, DWD's teacher training and recruitment grants program requires DWD to grant funds to nonprofit organizations, with preference given to those that train future teachers who are enrolled in an accredited college or university, that provide continuing education and professional development, and that attempt to place a majority of participants in public or private schools located in low-income or urban school districts in this state.

Under current law, DWD's teacher development grants program requires DWD to award grants to a school board, to the governing body of a private school, or to a charter management organization that has partnered with a DPI-approved educator preparation program to design and implement a teacher development program that satisfies program requirements as specified under DPI.

[Bill Sections: 224, 225, 230, 1328, 1329, and 1340 thru 1342]

5. FAST FORWARD

GPR	-$500,000

Governor: Transfer $250,000 annually from the Department's workforce training grants appropriation ("Fast Forward") to DPI for the administration of the teacher development training and recruitment grants program, as transferred to DPI under the bill. [See "Public Instruction -- Categorical Aids."] The bill would establish a new base funding level of $6,000,000 GPR annually

for DWD's Fast Forward appropriation.

6. EMPLOYEE TRAINING GRANTS TO SHIPBUILDERS

Governor: Require DWD to allocate $1,000,000 from the Department's workforce training grants GPR appropriation ("Fast Forward") in the 2019-21 fiscal biennium for grants to shipbuilders in this state to train new and current employees. Specify that a shipbuilder that receives a grant under this provision must expend all grant moneys before July 1, 2021, for purposes of training new and current employees. Although not specified in the bill, the administration indicates the funding is intended for activities to be conducted by or on behalf of Fincantieri Marinette Marine.

[Bill Section: 1326]

7. PROJECT SEARCH

Governor: Require DWD to allocate $250,000 annually from the Department's workforce training grants GPR appropriation ("Fast Forward") for contracts entered into by DWD to provide services to persons with disabilities under the Project SEARCH program operated by the Cincinnati Children's Hospital or its successor organization. Authorize DWD to enter into contracts under this provision, and in statutes for general agency contracting, create for Project SEARCH contracts an exception to the requirement that the agency must find services that can be provided more economically or efficiently by contract. Modify DWD's workforce training grants appropriation to allow as an eligible expense costs associated with these contracts. Project SEARCH is a nine- to 12-month program that provides training and education leading to integrated employment for youth with disabilities. Project SEARCH is based on a collaboration that includes a local business, school districts, and DWD's Division of Vocational Rehabilitation.

[Bill Sections: 61, 222, and 488]

8. ELIMINATE WISCONSIN CAREER CREATOR PROGRAM

Governor: Repeal DWD's continuing GPR appropriation for a worker training and employment program ("career creator"). Eliminate the requirement that, of the amounts provided in the 2019-21 fiscal biennium, DWD allocate $20,000,000 to provide funding to facilitate worker training and employment in this state. Repeal provisions associated with the career creator program, including the requirement that DWD consult with the WTCS Board and the Wisconsin Economic Development Corporation in implementing the program and submit a plan for implementing the program to the Joint Committee on Finance. The Wisconsin career creator program was created under 2017 Wisconsin Act 58, which authorizes tax incentives and other considerations to a business (Foxconn) in an electronics and information technology manufacturing zone. Act 58 did not provide the program base funding in the 2017-19 biennium.

[Bill Sections: 223 and 1327]

Unemployment Insurance

1. UI DRUG TESTING

GPR	- $500,000

Governor: Repeal the unemployment insurance (UI) administration controlled substances testing and treatment appropriation and delete funding of $250,000 annually associated with the elimination of the biennial appropriation. Under current law, the funding is for conducting screenings of UI applicants, testing applicants for controlled substances, and providing substance abuse treatment to applicants and claimants. The unencumbered balance on June 30 of each odd-numbered year must be transferred to the unemployment program integrity fund. These provisions would be deleted under the bill.

Repeal the requirement that DWD establish a UI occupational drug testing program. Under current law, when a claimant applies for UI benefits, DWD determines whether the claimant is an individual for whom suitable work is only available in an occupation that regularly conducts testing. If the claimant's only suitable work is in an occupation that regularly conducts drug testing, as determined by the U.S. Department of Labor and DWD rules, DWD must screen the claimant to determine whether the claimant should be required to submit to a drug test. The results of the initial screening must provide a reasonable suspicion that the claimant has engaged in the unlawful use of controlled substances for the claimant to be required to submit to a drug test. If the claimant refuses to submit to a drug test or tests positive for a controlled substance for which the claimant does not have a valid prescription, the claimant is ineligible for UI benefits. A claimant who tests positive may maintain eligibility for UI benefits for each week in which they are in full compliance with a state-sponsored substance abuse treatment program and a state-sponsored job skills assessment. Under federal law, the state may only require drug testing under the program in accordance with U.S. Department of Labor regulations, and final rules regarding which occupations can be subject to drug testing have not been issued.

Repeal all provisions of the UI pre-employment drug testing program. Under current law, an employer may voluntarily submit to DWD the results of a test for the unlawful use of controlled substances that was conducted on an individual as pre-employment screening or notify DWD that an individual declined to submit to such a test as a condition of employment. If an individual tests positive for controlled substances without a valid prescription for the drug, or if the individual refuses to take the test, there is a rebuttable presumption that the claimant refused to accept suitable work. If an employer reports that an individual refused to submit to a drug test or tested positive for a controlled substance, the claimant would be ineligible for UI benefits until the individual earns wages in subsequent employment equal to at least six times the individual's weekly benefit rate. A claimant who tests positive for a controlled substance as part of a pre-employment screening may maintain eligibility for UI benefits for each week in which the claimant is in full compliance with a state-sponsored substance abuse treatment program and a state-sponsored job skills assessment.

Provide that the effective date of the repeal of the pre-employment drug testing program and the occupational drug testing program would be the Sunday after publication of the bill, with the

repeal of the pre-employment drug testing program first applying to initial claims for benefits filed on the Sunday after publication of the bill.

[Bill Sections: 221, 1369, 1370, 1380, 1381, 1384 thru 1386, 9350(3), and 9450(2)]

2. UI WEEKLY BENEFIT RATE

Governor: Increase the maximum weekly benefit rate for each eligible UI recipient from $370 to $406 for each week of total unemployment that commences on or after January 5, 2020. The current maximum weekly benefit rate of $370 has been in effect since January 6, 2014. The current minimum weekly benefit rate that an eligible UI recipient could qualify for would remain unchanged at $54.

Under current law, the weekly benefit rate equals 4% 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. If that amount is less than $54, no benefits are payable to the employee. If that amount is more than the maximum weekly benefit rate, the employee's weekly benefit rate is the maximum rate. Under current law, the minimum weekly benefit rate of $54 requires high-quarter earnings of $1,350 while the maximum weekly benefit rate of $370 requires high-quarter earnings of $9,250.

Specify that the effective date of the provision would be the first Sunday of the third month beginning after publication of the bill.

[Bill Sections: 1376, 1377, and 9450(3)]

3. UI WAITING PERIOD

Governor: Repeal the one-week waiting period requirement for UI benefits. Under this provision, a claimant for UI benefits would start receiving benefit payments beginning with the individual's first week of eligibility.

Under current law, the claimant's waiting period is the first week of a claimant's benefit year for which the claimant is otherwise eligible for regular benefits. During a claimant's waiting period, no benefits are payable to the claimant. The current one-week waiting period went into effect with all benefit years starting as of January 1, 2012. The waiting period does not affect a claimant's maximum benefit amount. A claimant must serve one waiting week per benefit year.

The effective date of this provision would be the first Sunday after publication of the bill. This provision would first apply to a claimant benefit year beginning on that effective date.

[Bill Sections: 1356, 1363, 1375, 9350(4), and 9450(4)]

4. UI WAGE THRESHOLD

Governor: Require DWD to annually adjust the UI wage threshold amount for receipt of UI benefits (currently $500) by the average annual percentage change in the U.S. Consumer Price Index for all urban consumers, U.S. city average, as determined by the U.S. Department of Labor, effective January 1 of each year, with the first adjustment being effective on January 1, 2020. Specify that DWD must annually have the revised wage threshold amount published in the Wisconsin Administrative Register.

Under current law, regular UI benefits may be available to individuals who are partially employed during a week but not receiving more than $500 during that week in wages earned for work performed in that week, sick pay, holiday pay, vacation pay, termination pay, bonus pay, back pay, or any combination thereof.

[Bill Sections: 1378 and 1379]

5. UI SUITABLE WORK

Governor: Modify provisions that define suitable work and what is considered good cause for failing to accept suitable work for UI claimants.

Provide that an employee has good cause for failing to return to work or accept suitable work, regardless of the reason articulated by the employee for the failure, if DWD determines that: (a) the failure involved work at a lower grade of skill or significantly lower rate of pay than applied to the employee on one or more recent jobs; and (b) that the employee had not yet had a reasonable opportunity, considering labor market conditions and the employee's degree of skill, to seek a new job substantially in line with the employee's prior job skill and rate of pay, provided the term of unemployment does not exceed six weeks.

Require DWD to define, by rule, what constitutes suitable work for claimants, which must specify different levels of suitable work based upon the number of weeks that a claimant has received benefits in a given benefit year.

Under current law, if an employee fails, without good cause, to accept suitable work when offered, the employee is ineligible to receive benefits until the employee re-establishes eligibility by earning wages in subsequent covered employment. In the first six weeks after the employee became unemployed, suitable work means: (a) the work does not involve a lower grade of skill than one or more of his or her most recent jobs, and (b) the hourly wage for the work is 75% or more of what the employee earned on the highest paying of his or her most recent jobs. Beginning in the seventh week after the employee became unemployed, suitable work 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 DWD. An employee is considered to have good cause for failing to accept suitable work for reasons including the employee's personal safety, sincerely held religious beliefs, an unreasonable commuting distance, or other compelling reason. The bill would delete these provisions.

Require DWD to submit a notice to the Legislative Reference Bureau for publication in the Wisconsin Administrative Register when DWD determines that it has rules in place to define suitable work.

Specify that these provisions initially apply to UI benefit determinations issued on the effective date of the bill. Provide that these provisions take effect on the date the rules are published in the Wisconsin Administrative Register or on January 3, 2021, whichever occurs first.

[Bill Sections: 1355, 1366, 1371 thru 1374, 1382, 1383, 9150(3), 9350(6), and 9450(6)]

6. UI SUBSTANTIAL FAULT

Governor: Modify the definition of substantial fault in current law. Modify provisions in current law that specify that an employee terminated for substantial fault is ineligible to receive UI benefits until certain conditions are met.

Under current law, DWD uses a two-tier standard to determine whether claimants who are discharged qualify for UI benefits. A claimant will be disqualified if they are discharged for misconduct or for substantial fault connected with the employment. If it cannot be determined that the employee was discharged for misconduct, a disqualification under substantial fault is considered by the Department. The definition of "substantial fault" includes acts or omissions of an employee over which the employee exercised reasonable control and that violate the employer's reasonable requirements. Substantial fault essentially means that if an employer establishes a reasonable job policy to which an employee can conform, failure to conform constitutes substantial fault. An employee who is discharged for misconduct or substantial fault connected with his or her employment will have total entitlement for benefits reduced with respect to wages from the discharging employer and is ineligible for benefits based on work for other employers unless he or she requalifies. To requalify, seven weeks must elapse since the end of the week in which the discharge occurs and the employee must earn wages in subsequent covered employment equal to at least 14 times the weekly benefit rate he or she would have received if termination had not occurred.

The bill would replace the substantial fault provision with a provision on absenteeism or tardiness by an employee. Under the bill, tardiness becomes excessive if an employee is late for six or more scheduled workdays in the 12-month period preceding the date of the discharge without providing adequate notice to his or her employer. Also under the bill, absenteeism becomes excessive if an employee is absent for five or more scheduled workdays in the 12-month period preceding the date of the discharge without providing adequate notice to his or her employer.

Employee Requalification Requirements. Specify that if an employee is discharged for failing to notify his or her employer of absenteeism or tardiness that becomes excessive, and the employer has complied with all employer requirements as described below, the employee is ineligible to receive benefits until six 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 six times the employee's weekly benefit rate in employment or other work covered by the UI 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.

Employer Notification Requirements. Specify that the requalifying requirements apply only if the employer has a written policy on notification of tardiness or absences that satisfies all of the following: (a) defines what constitutes a single occurrence of tardiness or absenteeism; (b) describes the process for providing adequate notice of tardiness or absence; and (c) notifies the employee that failure to provide adequate notice of an absence or tardiness may lead to discharge. The employer shall provide a copy of the written policy to each employee and shall have written evidence that the employee received a copy of that policy. The employer must have given the employee at least one warning concerning the employee's violation of the employer's written policy within the 12-month period preceding the date of the discharge. The employer must apply the written policy uniformly to all employees of the employer.

Specify that the effective date of the provision is January 5, 2020, and that these provisions first apply to UI benefit determinations on that effective date.

[Bill Sections: 1214, 1364, 1365, 9350(9), and 9450(9)]

7. UI WORK SEARCH WAIVERS

Governor: Repeal the provisions of 2017 Act 370 that codify in statute work-registration and work-search waiver provisions for certain UI claimants that were previously contained only within the administrative code. Restore DWD's general rulemaking authority, which had been eliminated by Act 370, to establish waivers from work search and registration requirements.

From 2004 until June 14, 2015, the Department, by administrative rule, waived a claimant's search requirement if the claimant was laid off but there was a reasonable expectation of reemployment of the claimant by that employer. As of July 14, 2015, the Department altered the administrative rule to provide a work-search waiver only if the claimant is currently laid off from employment but there is a reasonable expectation that the claimant will be returning to employment within a period of eight weeks, with a possibility of one additional four-week extension. 2017 Act 370 codified in statute the work-search waivers that were previously prescribed by rule of the Department.

Require DWD to submit a notice to the Legislative Reference Bureau for publication in the Wisconsin Administrative Register when DWD determines that the Department has any rules in place that are necessary to provide waivers from the work search and registration requirements. The effective date of the provision would be on the date the notice is published in the Wisconsin Administrative Register or on January 3, 2021, whichever occurs first. Specify that the provision first applies to initial claims for benefits filed on that effective date.

[Bill Sections: 1357 thru 1362, 9150(4), 9350(7), and 9450(7)]

8. UI VOLUNTARY TERMINATION

Governor: Provide that if a prospective claimant's spouse was required by his or her

employing unit to relocate to a place to which it is impractical for the claimant to commute, that the voluntary termination exception for UI benefits would apply to that claimant. Under current law, if an employee voluntarily terminates (quits) employment, the employee is ineligible to receive UI benefits until the employee earns wages after the week in which the quit occurs equal to at least six times the employee's weekly benefit rate. However, an employee is exempt from the requirement if the employee's spouse is a member of the U.S. Armed Forces on active duty. The bill would expand eligibility for the voluntary termination exemption if the employee's spouse was required by his or her employing unit to relocate to a place to which it is impractical for the employee to commute.

The effective date of the provision would be the first Sunday after publication of the bill. The provision would apply to UI benefit determinations beginning on the effective date of the provision.

[Bill Sections: 1367, 1368, 9350(5), and 9450(5)]

Equal Rights

1. MINIMUM WAGE

Governor: Specify annual increases to the minimum wage level for most employees, from the effective date of the bill to January 1, 2024. The following table shows the current minimum wages rates and those provided under the bill.

Minimum Wage Rates

	Current Law	Beginning on Effective Date of Bill Through 12/31/20	Beginning 1/1/21 Through 12/31/21	Beginning 1/1/22 Through 12/31/22	Beginning 1/1/23 Through 12/31/23
Adult, Minor, or Agricultural Employee	$7.25	$8.25	$9.00	$9.75	$10.50
Opportunity Employee	5.90	6.71	7.32	7.93	8.54
Tipped Employee	2.33	2.65	2.89	3.13	3.37
Tipped Opportunity Employee	2.13	2.42	2.64	2.86	3.08
Caddies					
9 Holes	5.90	6.71	7.32	7.93	8.54
18 Holes	10.50	11.95	13.03	14.12	15.21
Camp Counselors (Adult and Minor), weekly rate					
No Board or Lodging	350.00	398.28	434.48	470.69	506.90
Board Only	265.00	284.48	310.34	336.21	362.07
With Board and Lodging	210.00	238.97	260.69	282.41	304.14

Require DWD to revise each minimum wage rate in effect on January 1, 2024 (last column

in above table), and on each January 1 thereafter, by the percentage change in the Consumer Price Index (CPI) for the most recent 12-month period for which full-month information is available. The bill would require DWD to annually revise the amount published in the Wisconsin Administrative Register and on the DWD internet site.

Define "consumer price index" to mean the average of the CPI over each 12-month period for all urban consumers, U.S. city average, all items, not seasonally adjusted, as determined by the Bureau of Labor Statistics of the U.S. Department of Labor.

Minimum Wage Study Committee. Require the DWD Secretary to establish a minimum wage study committee to consist of the following members: (a) five members appointed by the Governor; (b) one member appointed by the Speaker of the Assembly; (c) one member appointed by the Minority Leader of the Assembly; (d) one member appointed by the Majority Leader of the Senate; and (e) one member appointed by the Minority Leader of the Senate. Require the committee to study options to achieve a $15 per hour minimum wage and other options to increase compensation for workers in this state. No later than October 1, 2020, require the committee to submit to the Governor and the appropriate standing committees of the Legislature a report that includes recommendations regarding the options for achieving a $15 per hour minimum wage and other means of increasing worker compensation in this state. Specify that the minimum wage study committee would terminate upon submission of the report.

[Bill Sections: 1281 thru 1323, 1827, and 9150(2)]

2. RIGHT TO WORK

Governor: Repeal the provisions of 2015 Wisconsin Act 1 that specify that no person may require, as a condition of obtaining or continuing employment, an individual to do any of the following: (a) refrain or resign from membership in, voluntary affiliation with, or voluntary financial support of a labor organization; (b) become or remain a member of a labor organization; (c) pay any dues, fees, assessments, or other charges or expenses of any kind or amount, or provide anything of value, to a labor organization; or (d) pay to any third party an amount that is in place of, equivalent to, or any portion of dues, fees, assessments, or other charges or expenses required of members of, or employees represented by, a labor organization. Delete current law specifying that these provisions apply to the extent permitted under federal law and that if a section of a contract violates this provision, that section of the contract is void.

Unfair Labor Practices. For the purposes of the following provisions, the definition of "employer" does not include the state or any political subdivision thereof.

Modify the current declaration of an unfair labor practice for an employer to encourage or discourage membership in any labor organization, employee agency, committee, association, or representation plan by discrimination in regard to hiring, tenure, or other terms or conditions of employment. Create an exception for a collective bargaining unit where an all-union, fair-share, or maintenance of membership agreement is in effect. Under current law, an "all-union agreement" means an agreement between an employer and the representative of the employer's employees in a collective bargaining unit whereby all or any of the employees in such unit are required to be

members of a single labor organization. The terms "fair-share agreement" and "maintenance of membership agreement" are not defined under the bill or in the pertinent statutory sections the bill would modify. The administration indicates that an errata may be submitted to either clarify or remove these terms.

Modify the current declaration of unfair labor practice for an employer to bargain collectively with the representatives of less than a majority of the employer's employees in a collective bargaining unit, or to enter into an all-union agreement, by creating an exception for an employer who does so with the voluntarily recognized representative of the employees in a collective bargaining unit, where at least a majority of such employees voting have voted affirmatively, by secret ballot, in favor of the all-union agreement in a referendum conducted by the Wisconsin Employment Relations Commission (WERC). If the bargaining representative has been certified by either WERC or the National Labor Relations Board as the result of a representation election, no referendum is required to authorize the entry into an all-union agreement.

Specify that the authorization of an all-union agreement continues, subject to the right of either party to the agreement to petition WERC to conduct a new referendum on the subject. Upon receipt of the petition, if WERC determines there is reasonable ground to believe that the employees concerned have changed their attitude toward the all-union agreement, WERC shall conduct a referendum. If the continuance of the all-union agreement is supported on a referendum by a majority vote, it may continue, subject to the right to petition for a further vote by the same procedure. If the continuance of the all-union agreement is not supported on a referendum, it terminates at the expiration of the contract of which it is then a part or at the end of one year from the date of the announcement by WERC of the result of the referendum, whichever is earlier. Require WERC to declare any all-union agreement terminated whenever it finds that the labor organization involved has unreasonably refused to receive as a member any employee of such employer. An interested person may, as specified in current law, request WERC to perform this duty.

Modify the current declaration of an unfair labor practice for an employer to deduct labor organization dues or assessments from an employee's earnings, unless the employer has been presented with an individual order signed by the employee, and terminable by the employee. Create an exception for cases in which there is an all-union, fair-share, or maintenance of membership agreement in effect. The employer must give notice to the labor organization of receipt of a notice of termination.

Specify that it be an unfair labor practice for an employer to fail to give the notice of intention to engage in a lockout as provided in s. 111.115(3) of the statutes, which refers to a strike at a certain type of agricultural processing facility. The administration indicates that an errata would be submitted to remove this provision as well as certain other provisions that were not originally included in 2015 Act 1.

Declaration of Policy. Recreate a state declaration of policy on employment relations repealed under Act 1. The declaration would state, in part:

(a) that the public policy of the state, as to employment relations and collective bargaining,

recognizes that there are three major interests: the public, the employee, and the employer; and that these three interests are interrelated and that it be the policy of the state to protect and promote each of these interests with due regard to the situation and to the rights of the others; and

(b) that industrial peace, regular and adequate income for the employee, and uninterrupted production of goods and services are promotive of all of these interests and are dependent upon the maintenance of fair, friendly, and mutually satisfactory employment relations and the availability of suitable machinery for the peaceful adjustment of whatever controversies may arise; that whatever may be the rights of disputants, they should not be permitted to intrude directly into the primary rights of third parties to earn a livelihood, transact business, and engage in the ordinary affairs of life; and

(c) that negotiations of terms and conditions of work should result from voluntary agreement between employer and employee; and that an employee has the right, if the employee desires, to associate with others in organizing and bargaining collectively through representatives of the employee's own choosing; and

(d) that it would be the policy of the state, in order to preserve and promote the interests of the public, the employee, and the employer, to establish standards of fair conduct in employment relations and to provide a convenient, expeditious, and impartial tribunal by which these interests may have their respective rights and obligations adjudicated.

Penalties. Repeal the provision that specifies that anyone who violates the right to work law is guilty of a Class A misdemeanor.

[Bill Sections: 1390 thru 1396, and 2190]

3. PREVAILING WAGE

Governor: Restore the state prevailing wage law as the law existed prior to 2015 Act 55 by repealing the provisions of 2015 Act 55 that eliminated the state prevailing wage law that applied to local projects of public works (counties, villages, towns, cities, school districts, municipal utilities and technical colleges) and the provisions of 2017 Act 59 that eliminated the state prevailing wage law that applied to state agency and state highway projects.

Under current law, there are no state prevailing wage standards for local projects of public works, state agency projects, or state highway projects. The state prevailing wage requirements for local projects were repealed effective January 1, 2017. The state prevailing wage requirements for state agency and state highway projects were repealed effective September 23, 2017. These changes did not affect federal Davis-Bacon Act requirements, which specify that building and highway projects that utilize at least $2,000 in federal funds are subject to the federal prevailing wage rates as determined by the U.S. Department of Labor.

Under the bill, the state prevailing wage law would be as it was immediately prior to the passage of 2015 Act 55. Generally, the prevailing wage law under the bill would consist of the following major elements:

Application of the Prevailing Wage Law. Specify that state prevailing wage requirements apply based on various project cost thresholds. For a single-trade project, the threshold is $48,000, whereas the threshold for a multiple-trade project is either $100,000 or $234,000; the latter applies to public works projects erected, constructed, repaired, remodeled, or demolished by a private contractor for a city or village with a population less than 2,500, or for a town. A "single-trade project" is defined as one in which a single trade (such as a carpenter, glazier, or electrician) accounts for 85% or more of the total labor cost of the project. A "multiple-trade project" is defined as one in which no single trade accounts for more than 85% of the total labor cost of the project.

Prevailing Hours of Labor. Specify that workers to whom state prevailing wage law applies may not be permitted to work a greater number of hours per day or per week than the prevailing hours of labor, unless they are paid for all hours worked in excess of prevailing hours of labor at a rate of at least 1.5 times their hourly basic rate of pay. Define "prevailing hours of labor" to mean 10 hours per day and 40 hours per week and may not include any hours worked on a Saturday or Sunday, or on certain holidays.

Prevailing Wage Rate. Define "prevailing wage rate" to mean the hourly basic rate of pay, plus the hourly contribution for health insurance, vacation, pension, and any other economic benefit, paid for a majority of the hours worked in a trade or occupation on projects in an area (generally the county). If there is no rate at which a majority of the hours worked in the occupation on projects in the area is paid, the prevailing wage rate would mean the average hourly basic rate of pay, weighted by the number of hours worked, plus the average hourly contribution, weighted by the number of hours worked, for health insurance benefits, vacation benefits, pension benefits and any other bona fide economic benefit, paid for all hours worked at the hourly basic rate of pay of the highest-paid 51% of hours worked in that trade or occupation on projects in that area.

Survey Process. Require DWD to determine prevailing wage rates for each trade or occupation in each area of the state by January 1 of each year. The survey would be based on a statutorily prescribed annual survey process for all types of local public works projects, state agency public works projects excluding highways and bridges, and state-contracted highway construction projects. Provide that DWD may not collect survey data from projects that are subject to the state or federal prevailing wage requirements unless DWD determines that there is insufficient wage data in the area to determine a prevailing wage rate.

Administration and Enforcement. Require DWD to enforce all local and state prevailing wage laws and the Department of Transportation (DOT) to administer and enforce federal and state prevailing wage laws for highway and bridge construction projects. Require DWD, by May 1 of each year, to certify to DOT the prevailing wage rates in each area for all trades or occupations commonly employed in the highway construction industry.

Specify that all provisions regarding compliance, enforcement, inspection, notice, appeals, remedies, coverage, and penalties from the state prevailing wage law as it was just prior to the enactment of 2015 Act 55 would be recreated and made effective on the date of the bill.

Retain the current prohibition against local governments enacting or administering their own prevailing wage laws or similar ordinances. Currently, a local governmental unit may not enact and administer an ordinance or other enactment requiring laborers, workers, mechanics, and truck

drivers employed on projects of public works, or on publicly funded private construction projects, to be paid the prevailing wage rate and to be paid at least 1.5 times their hourly basic rate of pay for hours worked in excess of the prevailing hours of labor or any similar ordinance or enactment.

Specify that for a project of public works that is subject to bidding, the prevailing wage repeal first applies to a project for which the request for bids is issued on or after the effective date of the bill.

Specify that for a project of public works that is not subject to bidding, the prevailing wage repeal first applies to a contract that is entered into on or after the effective date of the bill.

[Bill Sections: 123, 773, 802 thru 808, 1080, 1242, 1272 thru 1278, 1280, 1324, 1388, 1401 thru 1403, 1828, 1852, 1853, 2188, 2247, and 9350(1)&(2)]

4. FAMILY AND MEDICAL LEAVE

Governor: Specify that an employer would be covered by the family and medical leave law if the employer has at least 25 permanent employees in this state. Under current law, an employer that employs at least 50 individuals on a permanent basis in this state is required to allow an employee who has been employed by the employer for more than 52 consecutive weeks and who has worked for the employer for at least 1,000 hours during the preceding 52 weeks to take the following: (a) six weeks of family leave in a 12−month period for the birth or adoptive placement of a child; (b) two weeks of family leave in a 12−month period to care for the employee's child, spouse, domestic partner, or parent with a serious health condition; and (c) two weeks of medical leave in a 12−month period when the employee has a serious health condition that makes the employee unable to perform the employee’s employment duties.

Definition of Child. Expand the definition of "child" under current family and medical leave law to mean a natural, adopted, or foster child, a stepchild, or a legal ward. The bill would delete requirements a child be: (a) less than 18 years of age; or (b) 18 years of age or older and unable to care for himself or herself because of a serious health condition.

Covered Active Duty. Provide that an employee covered under the law be allowed to take six weeks of family leave in a 12−month period because of any qualifying exigency, as determined by DWD by rule, arising out of the fact that the spouse, child, domestic partner, parent, grandparent, grandchild, or sibling of the employee is on covered active duty or has been notified of an impending call or order to covered active duty. If the employee intends to take leave that is foreseeable because the spouse, child, domestic partner, parent, grandparent, grandchild, or sibling of the employee is on covered active duty or has been notified of an impending call or order to covered active duty, the employee shall provide notice of that intention to the employer in a reasonable and practicable manner.

Specify that if an employee requests leave under the covered active duty provision, the employer may require the employee to provide certification that the spouse, child, domestic partner, parent, grandparent, grandchild, or sibling of the employee is on covered active duty or has been notified of an impending call or order to covered active duty issued at such time and in

such manner as the DWD may prescribe by rule, and the employee must provide a copy of that certification to the employer in a timely manner.

Define “covered active duty" to mean any of the following: (a) in the case of a member of a regular component of the U.S. Armed Forces, duty during the deployment of the member with the U.S. Armed Forces to a foreign country, or (b) in the case of a member of a reserve component of the U.S. Armed Forces, duty during the deployment of the member with the U.S. Armed Forces to a foreign country under a call or order to active duty.

Care for Grandparent, Grandchild, or Sibling. Specify that an employee covered under the law be allowed to take two weeks of family leave in a 12−month period to care for a grandparent, grandchild, or sibling, in addition to the current law family leave definition that specifies that an employee may take family leave to care for the employee's child, spouse, domestic partner, or parent, if the child, spouse, domestic partner, or parent has a serious health condition.

Define the following: (a) "grandchild" to mean the child of a child; (b) "grandparent" to mean the parent of a parent; (c) “sibling" to mean a brother, sister, half-brother, half-sister, stepbrother, or stepsister, whether by blood, marriage, or adoption; and (d) "employee" to mean an individual employed in this state by an employer, except the employer's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling. Current law does not include grandparent, grandchild, or sibling.

Provide that current family and medical leave law governing proper notice to employers, proper medical certifications, and administrative proceedings, that currently reference child, spouse, domestic partner, parent, and employee, also include references to grandparent, grandchild and sibling.

Closure of Child Care Center, Provider or School. Specify that an employee covered under the law be allowed to take six weeks of family leave in a 12−month period because a child care center, child care provider, or school that the employee's child attends is experiencing an unforeseen or unexpected short-term closure.

Provide that if an employee requests leave due to such a closure, the employer may require the employee to provide certification that the child care center, child care provider, or school that the employee's child attends is experiencing an unforeseen or unexpected short-term closure. Under the bill, DWD may prescribe by rule the form and content of the certification.

Posting. Delete a requirement that any person employing at least 25 individuals post, in one or more conspicuous places where notices to employees are customarily posted, a notice describing the person's policy with respect to leave for the reasons under the family and medical leave law. Current law already requires that each employer post, in one or more conspicuous places where notices to employees are customarily posted, a notice in a form approved by DWD setting forth employees' rights under the family and medical leave law.

[Bill Sections: 1244 thru 1252, and 1254 thru 1268]

5. LOCAL EMPLOYMENT REGULATIONS

Governor: Repeal the provisions of 2017 Wisconsin Act 327, which prohibits local units of government from enacting or enforcing ordinances related to any of the following: (a) regulations related to wage claims and collections; (b) requiring a person to accept provisions of a collective bargaining agreement or to waive rights under state or federal labor relations laws (defined as the National Labor Relations Act and the Labor Management Relations Act); (c) regulation of employee hours of labor or overtime, including scheduling of employee work hours or shifts; (d) requiring an employer to provide certain employment benefits, including retirement, pension, profit sharing, insurance, or leave benefits; (e) prohibiting an employer from requesting the salary history of a prospective employee; (f) prohibiting requiring any person to waive the person's rights under state or federal labor laws, or compel or attempt to compel a person to agree to waive the person's rights under state or federal labor laws, as a condition of any regulatory approval or other approval by the local governmental unit; or (g) imposing occupational licensing requirements on an individual that are more stringent than state-imposed licensing requirements for the profession.

Repeal the prohibition on local units of government from enacting ordinances that require employers to provide employees with paid or unpaid family and medical leave from employment for employees of private employers. This would generally delete provisions enacted under 2011 Wisconsin Act 16.

Recreate provisions from the 2015 statutes specifying that the prohibition on a local government (county, city, village, or town) from enacting a minimum wage ordinance does not affect a local government ordinance that applies the state prevailing wage law requirements specified under the bill to an employee of a local government, a contractor for the local government, or a person performing work using financial assistance from the local government.

[Bill Sections: 774, 777, 1243, 1249, 1253, 1269, 1271, 1279, 1389, 1789, and 2191]

6. PROJECT LABOR AGREEMENTS

Governor: Repeal the provisions of 2017 Wisconsin Act 3, which prohibits state and local units of government from any of the following in letting bids for state procurement or public works contracts: (a) require that a bidder enter into or adhere to an agreement with a labor organization; (b) consider, as a factor in making an award, whether any bidder has or has not entered into an agreement with a labor organization; or (c) require that a bidder enter into, adhere to, or enforce any agreement that requires, as a condition of employment, that the bidder or bidder's employees become or remain members of, or be affiliated with, a labor organization or pay any dues, fees, assessments, or other charges or expenses of any kind or amount, or provide anything of value, to a labor organization or a labor organization's health, welfare, retirement, or other benefit plan or program.

[Bill Sections: 62, 76, and 797 thru 801]

7. JOB APPLICANT CONVICTION HISTORY

Governor: Provide that employment discrimination because of a conviction record includes requesting an applicant for employment, on an application form or otherwise, to supply information regarding the conviction record of the applicant, or otherwise inquiring into or considering the conviction record of an applicant for employment, before the applicant has been selected for an interview by the prospective employer. Specify that this provision does not prohibit an employer from notifying applicants for employment that an individual with a particular conviction record may be disqualified by law or under the employer's policies from employment in particular positions. Under the bill, these provisions first apply to an application for employment submitted to an employer on the first day of the sixth month beginning after publication of the bill.

[Bill Sections: 1404 thru 1409, 9350(8), and 9450(8)]