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**Tussle over unemployment hints at 2022 election-year issue**

*By WisPolitics.com*

The post-budget summer at the Capitol has featured Republican moves to knock Democratic Gov. Tony Evers on unemployment issues.

Evers has announced he’s running for a second four-year term next year, and the GOP thinks he is vulnerable on delays in delivery checks to unemployed Wisconsinites during the pandemic and labor shortages post-pandemic

Assembly Republicans staged an override attempt in late July on an Evers veto of a measure to cut off the extra federal unemployment insurance benefits, and a recent Legislative Audit Bureau report highlights problems at Evers’ Department of Workforce Development.

Recent Democratic and Republican radio addresses highlighted the contrast:

In his address, Evers highlighted a $130 million investment in workforce initiatives aimed at boosting the state’s economic recovery.

“These funds are a critically important first step to addressing the workforce challenges we face in Wisconsin,” he said. “But we also know addressing these problems means we need to make meaningful investments in things like childcare, transportation, and housing — things that are about quality of life in Wisconsin — to support the workers we have and bring new jobs and workers to our state.”

He also slammed Republican lawmakers for rejecting his proposal to invest more than $500 million into education in a recent special session of the Legislature, arguing that “what’s best for our kids is what’s best for our state.”

In his radio address, Assembly Speaker Robin Vos, R-Rochester, discussed Republican lawmakers’ recent attempt to override Evers’ veto of the bill to cut off extra federal unemployment benefits.

Assembly Republicans on July 27 failed to get the two-thirds majority of members present needed to overturn the veto. The bill would have ended the extra $300 per week in unemployment payments.

“The studies have shown it and anecdotally almost every person in the state of Wisconsin knows it,” Vos said. “If you pay people over $17 an hour to stay home and not work, there are going to be fewer people working. It’s not rocket science.”

Vos, in a press conference ahead of the floor session, said ending the benefits is necessary because businesses across the state are working as hard as they can to fill empty job positions, but they can’t find willing workers because of the unemployment payments. He added the economy is growing stronger and now is the time to eliminate the extra funds.

Democrats, however, said there is no evidence showing the extra benefits are causing the workforce shortage. They also pointed to unemployment claim numbers dropping since the middle of last year as evidence that people are going back to work despite the extra unemployment money. They also pointed to a lack of available childcare and concerns of contracting COVID-19 as contributing factors.

Vos slammed Democrats for seeking to give taxpayer benefits to those who do not want to work and contribute to the economy. The extra benefits are due to end in September.

“If you pay somebody more to not work, far too many people will choose the option to stay home and do whatever they want in their leisure as opposed to go to work,” he said. “That is not a rocket science concept.”

He added the only reason he believes Democrats oppose ending the extra payments is to score political points.

“Because human nature knows that working and supporting yourself is one of the best things for the human soul,” he said. “We also know that it’s one of the best things for the family. We know it’s one of the best things for yourself.”

However, Assembly Minority Leader Gordon Hintz, D-Oshkosh, said the extra unemployment payments should stay until the existing September end date because unemployment claims in Wisconsin have dropped significantly this year.

“Fewer and fewer people are filing for unemployment,” Hintz said. “They’ve gone down since the $300 bump, since the Biden bump and after the Trump bump, down to levels that we haven’t seen since early-mid-2020, and we’re still bouncing back.”

Meanwhile, officials with the Department of Workforce Development say they’re working to modernize the state’s unemployment insurance system, following a report from the Legislative Audit Bureau showing the agency failed to comply with certain federal regulations.

The semi-annual LAB report documented delays in benefit payments and appeals reported through the bureau’s fraud hotline.

LAB notes that states must resolve 80 percent of appeals within 45 days, but the report shows DWD “did not resolve appeal decisions in a timely manner” between June 2020 and May of this year. For May 2021, the agency reported resolution of just 17.5 percent of appeals within 45 days. And about 14,500 appeals were awaiting a decision by DWD in May.

The Republican co-chairs of LAB criticized DWD’s performance in a release. And the bureau is asking the agency to report to the Joint Legislative Audit Committee in mid-September to deliver a compliance plan.

“I’m not surprised by this finding,” said Rep. Samantha Kerkman, R-Salem Lakes. “It confirms what my colleagues and I have been hearing all along from our constituents, and I am disappointed all over again by DWD’s failure to anticipate critical needs.”

Jennifer Sereno, communications director for DWD, attributes the delays to the “unprecedented surge of claims combined with legacy underinvestment in IT infrastructure.” In an email, she said the agency paid out $6.6 billion in unemployment insurance benefits between January 2020 and June 2021.

She noted that DWD added or reassigned around 1,900 workers during the peak pandemic period to expand call centers and handle more unemployment insurance claims. The agency was able to increase its capacity to around 7 million calls per month.

But U.S. Rep. Mike Gallagher, a Republican from the Green Bay area, says the LAB report “doesn’t inspire any confidence in their ability to responsibly manage” federal unemployment dollars.

Sereno said the agency is planning the first phase of a system overhaul, including an “omnichannel customer contact management system that efficiently tracks and manages all customer contacts.” The system would compile data from phone calls, online chats, text messaging and social media.

She said this system would help the agency respond to inquiries in a more timely manner.

“This comprehensive effort to modernize the antiquated, 1970’s UI system focuses on the challenges experienced by claimants and businesses during the unprecedented claims load,” Sereno said. “DWD appreciates LAB’s guidance as the UI system moves forward with long-overdue upgrades.”

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