

Unemployment Insurance Advisory Council Activities Report 2026

*Representing the interests of employers and workers to
improve Wisconsin's UI laws since 1932*

Amy Pechacek, Secretary
Department of Workforce Development
January 2026

January 30, 2026

The Honorable Tony Evers
Office of the Governor
115 East, State Capitol Building
Madison, WI 53702

Wisconsin State Legislators
State Capitol Building
Madison, WI 53702

Dear Gov. Evers and Members of the Legislature:

The Department of Workforce Development (DWD) is pleased to present the 2026 report on activities of Wisconsin's Unemployment Insurance Advisory Council (UIAC).

Wisconsin's thriving economy rests on a long tradition of collaboration among employers, workers, educators, government entities, and community stakeholders. This collaborative spirit has contributed to recent historic economic successes such as a record-low monthly unemployment rates in nine Wisconsin counties in September 2024 and an all-time record high employment of 3,086,700 in December 2024. Meanwhile, Gov. Tony Evers' groundbreaking investment in Wisconsin's workforce through the Workforce Solutions Initiative (WSI) has been extremely successful in removing employment barriers and addressing Wisconsin's ongoing worker quantity challenge. The Workforce Innovation Grant (WIG) program alone has, as of October 2025, served over 87,200 individuals and more than 2,550 businesses, funded construction of approximately 195 housing units, constructed or remodeled approximately 34 training facilities, funded six transportation programs, and five childcare facilities – which created 195 childcare slots.

Wisconsin's tradition of collaboration also is reflected in the Legislature's creation of the Unemployment Insurance Advisory Council almost a century ago. The council advises the Legislature and DWD on matters concerning Wisconsin's Unemployment Insurance (UI) program, and it recommends changes to improve the state's UI law.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Amy Pechacek', written in a cursive style.

Amy Pechacek, Secretary
Department of Workforce Development

Table of Contents

Introduction	1
About the Unemployment Insurance Advisory Council	1
Council Membership	2
Council Procedures	3
Business Meetings	
Public Hearing	
Law Changes Enacted During the Reporting Period	3
State Law Changes	
Federal Law Changes	
2024 Financial Outlook Report Recommendations	
2025 Agreed Bill Deliberations	
Additional Proposals Related to UI	
Other Deliberations of the Council	7
Issues Pending with the Council	7
Conclusion	7

Introduction

The Unemployment Insurance Advisory Council (UIAC) is created by statute under the administration of the Department of Workforce Development (DWD). The DWD Secretary appoints the members of the UIAC to six-year terms.

This report summarizes the deliberations of the Unemployment Insurance Advisory Council and outlines the position of the council concerning each proposed change to UI law in 2025. This report is prepared by the DWD Secretary and provided to the governor and legislature as required by Wis. Stat. § 16.48(3).

About the Unemployment Insurance Advisory Council

The legislature created the council in 1932 to advise the department and the legislature on policy matters concerning the development and administration of UI law. For over 90 years, the council has acted as a catalyst for labor and management members to work together to ensure stability in the UI system and collaborate on positive changes to enhance the UI program.

The council's main responsibilities are to:¹

- Advise the department in its administration of UI law;
- Report its views on pending legislation affecting the UI program to legislative committees; and
- Submit its recommended changes to Wisconsin's UI law to the legislature.

The council examines potential UI law changes on an ongoing basis, providing a balanced forum where the interests of both employees and employers are considered. The council's final negotiated recommendations to change UI law are presented to the legislature as an "agreed bill" for the legislature's consideration.

The legislature has traditionally recognized the value of the council process in bringing together the two groups most affected by the UI program: employees and employers. The legislature's support of the council process has helped to ensure Wisconsin's UI law continues to conform to federal requirements, allowing Wisconsin to receive the federal funding necessary to administer the UI program, and for employers to receive federal tax credits.

The council regularly communicates with the legislature about specific issues that impact the UI program. Members of the legislature are encouraged to attend council meetings and present their proposed changes to UI law to the council before introduction.

¹ The council responsibilities are specified in Wis. Stat. § 108.14(5)(a).

Council Membership

The secretary appoints council members to serve six-year terms. The council is composed of five management members representing the interests of employers, and five labor members representing the interests of employees. The management and labor members come from various backgrounds to advocate for the different sectors of Wisconsin's economy. State law requires one management member to be an owner of a small business or represent an association primarily composed of small businesses. In addition to these 10 voting members, a permanent classified employee of the department serves as the nonvoting chair of the council.²

Employer Representatives (Management Members)

David Bohl – General Counsel, Stevens Construction Corp.: Term expires Sept. 14, 2027.

Michael Gotzler – Director, Wisconsin Association of Staffing Services: Term expires June 30, 2029.

Scott M. Manley – Executive Vice President of Government Relations, Wisconsin Manufacturers & Commerce: Term expires Aug. 31, 2027.

Jeff Peterson – President, James Peterson Sons, Inc.: Term expires June 30, 2030.

Susan G. Quam (Small Business Representative) – Executive Vice President, Wisconsin Restaurant Association: Term expires June 30, 2029.

Employee Representatives (Labor Members)

Sally Feistel – Sub District Director, United Steelworkers District 7: Term expires May 31, 2026.

Corey Gall – President, Wisconsin Pipe Trades Association: Term expires Aug. 31, 2027.

Shane Griesbach – Business Representative, International Union of Operating Engineers Local 139: Term expires June 30, 2029.

Crystal Martzall – Chief of Staff, SEIU Wisconsin: Term expires June 30, 2030.

Kent Miller – President/Business Manager, Wisconsin Laborers District Council: Term expires June 30, 2030.

Chair (non-voting)

Janell Knutson – Director, Bureau of Legal Affairs, UI Division, State of Wisconsin Department of Workforce Development.

² Wis. Stat. § 15.227(3)

Council Procedures

Business Meetings

During the biennial term, council members negotiate proposed changes to Wisconsin's UI law, review administrative rules drafted by the department, and evaluate unemployment-related legislation proposed by lawmakers. The council typically meets monthly to allow labor and management the opportunity to exchange ideas and opinions so the interests of employers and employees are represented and considered. Council meetings are open to the public, and notice is provided under Wisconsin's open meetings law. In addition to the public portion of the meetings, management and labor members can convene in separate, closed caucus sessions to discuss potential law changes.³

The Chair leads council meetings and, generally, presents departmental proposals to change UI law to the council for review. Departmental proposals traditionally include an analysis and rationale of each suggested law change with a description of the change; the history and background of current law; potential federal conformity issues; the policy and fiscal effects; and the administrative feasibility and effect of the proposal. Council members deliberate department proposals, their own proposals, and any unemployment-related bills pending in the legislature. Action on any matter requires the approval of seven out of ten voting council members.⁴

Public Hearing

Agreed bill proposals are developed based on input from various sources including employer representatives, employee representatives, legislators, the department, and the public. Each biennium, the council holds a statewide hearing for the public to suggest possible changes to the UI program.

Before the public hearing, the council invites written comments on potential UI law changes. The public can send suggestions to the department by letter or email to a dedicated account. The department compiles all comments submitted directly or at the public hearing to present to the council. The council considers the public comments as they develop potential reform ideas for the upcoming agreed bill. The latest public hearing was held in November 2024 and the council factored the public's input into the UI law changes included in the most recent agreed bill.

Law Changes Enacted During the Reporting Period

State Law Changes

One state law change was enacted during the reporting period: 2025 Wis. Act 15 (2025-2027 Budget Act), the state budget bill. Act 15 created Section 165.25(22m) of the statutes and requires the Wisconsin Department of Justice (DOJ) to meet with the Department of Workforce Development (DWD) and the Department of Revenue (DOR) at least quarterly and report annually in writing to those departments on its

³ Closed caucus sessions are permissible under Wis. Stat. § 19.85(1)(ee).

⁴ Wis. Stat. § 108.14(5)(ag)

investigations and prosecutions of worker misclassification and payroll fraud. The reports are also sent to the appropriate standing committees of the legislature. The DOJ must also report to the council and the Worker's Compensation Advisory Council (WCAC) about the investigations and prosecutions upon request.

Federal Law Changes

One federal law change was enacted during the reporting period: 2025 HR 1 (Budget Reconciliation). Section 73001 of the Act requires denial of certain federal UI benefits to individuals with \$1 million or more of wages in their base period. The Act (Public Law No. 119-21) only applies to certain programs, including Unemployment Compensation for Federal Employees (UCFE), Unemployment Compensation for Ex-Servicemembers (UCX), and federal extended benefit programs. The Act does not apply to regular UI benefits.

2024 Financial Outlook Report Recommendations

The 2024 Financial Outlook Report projected the UI Trust Fund balance at the end of 2025 to be \$2.16 billion.

In the 2024 Financial Outlook Report, the secretary recommended the council review:

- Opportunities to bring Wisconsin's UI benefits in line with neighboring states;
- The UI Trust Fund and its funding mechanisms, including the UI Balancing Account, the experience rating system for employers, and rate schedule triggers; and
- The independent contractor test.

When reviewing UI Trust Fund financing, the secretary encouraged the council to also consider benefit rates and eligibility policies that are sufficient to provide workers the financial assistance necessary to withstand temporary periods of unemployment. Wisconsin's maximum weekly benefit currently sits at \$370, significantly behind all bordering states, including Iowa, which has a maximum weekly benefit of \$763, and Minnesota, at \$948. The council reviewed the Financial Outlook Report and considered the secretary's recommendations. A \$25 increase in the maximum weekly benefit rate was included in the agreed bill. However, no adjustments to the UI financing system or the independent contractor test were included in the agreed bill.

The next Financial Outlook Report is due to the governor, legislature, and council in May 2026 and will have updated UI Trust Fund balance projections along with department recommendations.

2025 Agreed Bill Deliberations

The council members considered the comments gathered at the public hearing in November 2024, the departmental proposals, and their own proposals in the development of the agreed bill. The agreed bill was bifurcated into two bills: one bill encompassed the appropriations items that needed to be referred to the Joint Committee on Finance; the other bill included the policy items. At the Sept. 24, 2025 meeting, the council unanimously agreed to the below statutory changes in the agreed bill. As of Jan. 7, 2026, both bills have been introduced and are pending in the legislature.

Appropriation Provisions (AB 650/SB 675)

Funding for identity verification under the unemployment insurance law and making an appropriation (UIAC "Appropriations" Bill)

This proposed provision would allow General Purpose Revenue funds currently allocated for UI drug testing and treatment to be used for identity verification if federal funding is no longer available to the department for that purpose.

Benefit Provisions (AB 652/SB 677)

Benefit Amounts

The council proposed increasing the maximum weekly benefit rate for claimants from \$370 to \$395 as of Dec. 28, 2025.

Suitable Work; Work Search

The council proposed that the department will create a website for employers to report individuals declining a job interview or job offer or failing to attend an interview or their first day of work. If the claimant did not have good cause for doing so, the claimant may be found ineligible for UI benefits for that week. This proposal mirrors 2025 Wisconsin Assembly Bill 169, which the legislature passed and the Governor vetoed on Oct. 31, 2025.

Concurrent Receipt of UI and SSDI

The council proposed that weekly UI benefits be reduced by 50% of proportionate monthly Social Security Disability Insurance (SSDI) benefits over the department's proposal to eliminate consideration of receipt of SSDI benefits consistent with the status quo under a federal court order.

Penalties for Obtaining Benefits in the Name of Another Person

The council proposed a new \$5,000 penalty be assessed for attempted benefit fraud by imposters.

Work Search Audits

The council proposed that the department must conduct work search verification audits for at least 50% of claimants with paid claims and no work search waiver.

Identity Proofing

The council proposed that the department must verify a person's identity before they file a claim using IAL2 and AAL2 standards adopted in the National Institute of Standards and Technology's Digital Identity Guidelines. This proposal mirrors a provision in 2025 Wisconsin Assembly Bill 168, which the legislature passed and the Governor vetoed in its entirety on Oct. 31, 2025.

Database Comparisons

The council proposed the department must perform a comparison of certain state and national databases for the purposes of detecting fraud or erroneous payments. This proposal mirrors a provision in 2025 Wisconsin Assembly Bill 168, which the legislature passed and the Governor vetoed in its entirety on Oct. 31, 2025.

Tax Provisions (AB 652/SB 677)

Use of Electronic Methods for Filing, Payments, and Reporting

The council proposed expanding the use of electronic communication to provide claimants and employers additional time to respond to department inquiries instead of waiting for notices in the mail. This proposal also expanded the requirement for electronic filing of UI tax reports, effective as of Feb. 2, 2027, in order to provide employers additional time to prepare. All employers may currently file their UI tax reports online.

Additional Proposals Related to UI

Various law change proposals related to the UI program were introduced during the reporting period separately from the council process. However, no other UI program-related bills were enacted during the reporting period. The legislature passed a number of provisions that the Governor vetoed including:

2025 Wisconsin Assembly Bill 169, which proposed various changes to UI law. The bill introduced a process for the department to consider reports by employers of unemployment insurance claimants who decline or fail to respond to a job interview or job offer. Under this bill, failure to attend a job interview would be taken into consideration in determining a person's eligibility to receive unemployment insurance. Governor Evers vetoed this bill on Oct. 31, 2025 because the bill would unnecessarily duplicate existing state law and create additional barriers for individuals applying for benefits from a program designed to support people and families experiencing economic hardship.

2025 Wisconsin Assembly Bill 168 proposed various changes to UI law. The bill included database comparison and identity proofing provisions.

The first provision would have required the department to implement various identity proofing measures, including requiring a claimant to verify their identity before filing an initial claim and achieving IAL2 and AAL2 standards in the National Institute of Standards and Technology's Digital Identity Guidelines. In fall 2024, the department implemented the National Identity Verification Process, which offers claimants the option to verify their identity in person at a Post Office or online through Login.gov. This process is federally funded for the first two years of use and the department is exploring extended funding options. These identity proofing standards would require a significant cost investment in annual vendor costs and technology development. Current UI processes already use targeted identification logic to verify the identity of every claimant, while also allowing multiple methods for identity verification, utilizing existing federal services, and providing the program additional safeguards against fraud.

The second provision would have required certain crosschecks of UI applicant information against various state and national databases to detect fraud. The bill also proposed that the department could perform comparisons on each weekly claim. This is unnecessary given the department's multifaceted, modernized approach to detecting and preventing fraud. Not only does the UI Division crossmatch with death, employment, and other records, the department is also a part of the National Association of State Workforce Agencies' Integrity Data Hub. The data hub provides access to crossmatching verification options, and nationwide databases, to name a few. The department's annual Fraud Report contains more detailed information about DWD's

detection tools. Governor Evers vetoed this bill on Oct. 31, 2025 because the department already implements comprehensive fraud prevention strategies, including identity verification, making the proposal to mandate identity proofing both unnecessary and overly burdensome for claimants.

Other Deliberations of the Council

2015 Wis. Act 334 created a new program integrity assessment of 0.01% and reduced employer taxes by the same amount, resulting in no tax increase for Wisconsin employers. The proceeds of this assessment are deposited into the UI Program Integrity Fund and used by the department for program integrity activities.

In October 2024, the council approved the secretary's request to implement the 0.01% program integrity assessment for 2025 and did so again in July 2025 for the following year. The proceeds from this assessment allow the department to continue anti-fraud and other program integrity efforts without raising taxes on employers. The council recognizes the value of the assessment as it relates to the department's program integrity efforts and has unanimously approved this request every year since the assessment was created.

Issues Pending with the Council

There are no issues pending with the council.

Conclusion

Since its inception, the council process has fostered collaboration among those most affected by the UI program and developed reforms that maintain the integrity of the UI program and the solvency of the UI Trust Fund. This collaboration has ensured that UI benefits remain available to workers who lose their job through no fault of their own and that covered employers benefit from the risk sharing of the UI system.

The council looks forward to continuing its positive working relationships with the legislature and the governor.