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## Common Sense Wisconsin Praises Legislature for Passing Bill to Restore Unemployment Insurance to Its Intended Purpose

**By Joe Handrick, former Administrator, Wisconsin's Unemployment Insurance program**

Sports fans may feel a temporary sting if their sports team goes from "first to worst" -- but it is still just a game. However, when the actions (or inactions) of a governor threaten to move a successful government program from "first to worst", it's not a game -- the hurt is real and sting long lasting.

Governor Tony Evers has put Wisconsin's unemployment insurance (UI) program on such a downward pathway -- and the Governor is paving that downward path \$300 at a time. Meanwhile, real employers who need real workers to build real pathways cannot find the workers they need.

It has been well documented how many Wisconsinites were harmed by the inability of the Governor to pay unemployment benefits in a timely fashion in 2020. Hundreds of thousands of newly-unemployed citizens had trouble even accessing the UI system and waited months to learn if they were approved for unemployment. The wait times on the phone were astronomical. The Governor ultimately had to fire his Workforce Development Secretary for his inability to catch up. Now, in 2021, the Governor is harming the integrity of the UI program in a different manner altogether.

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**By continuing an extra \$300 per week in pandemic unemployment benefits well past the re-opening of the economy, the Governor has upset the very delicate balance between security and incentive that has made UI one of the most successful programs in the history of Wisconsin. The Legislature has now passed a bill to end the extra \$300 weekly payment. The Governor has hinted he will veto it. The Governor will be hurting Wisconsin workers and employers if he does.**

Wisconsin was literally first when our state enacted the nation's model UI program in 1932. The Wisconsin program was the model upon which President Roosevelt based the federal program. Wisconsin was not only first, but through the decades we could lay claim to being the best. While many think of UI as a program for workers, it also serves as a valuable program to protect businesses and communities by softening the economic blow a community feels following a large lay-off.

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*Handrick UI Statement  
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The key to its success was simple: Unemployment was never a welfare program -- it was an insurance program that gave temporary assistance to those who lost their job through no fault of their own. The program never sought to be a permanent replacement for work.

What makes our unemployment program different from most social welfare programs is that UI actually does what it sets out to do. UI is designed to be both temporary and uplifting. This is in stark contrast to many welfare programs which, by design, too often become permanent and degrading.

Wisconsin's UI program struck a delicate balance between providing real (and timely) cash flow to families while taking care to not provide a disincentive to workers in those families from seeking and obtaining work.

Until 2020, the UI payment structure always rewarded work - period. If a person lost their job and was collecting benefits, they would never be punished for earning some money while seeking permanent employment. Reductions in benefits were carefully crafted to reward the worker for working -- even if it were temporary or part-time.

At the same time, the maximum benefits were tied to the person's prior income and designed to provide a temporary financial bridge but were not set so high as to transform that bridge into a crutch. These benefit levels were determined through a non-partisan council process involving mutual agreement by both management and labor. Until recently it always worked. Proof of this is the fact that, historically, most people on unemployment got back to work long before their benefits expired.

The extra \$300 per week in benefits that Evers is now providing has disrupted that balance. The UI weekly payment now works out to be just shy of \$35,000 per year. For many workers, UI now pays more than a job. Many people no longer are rewarded for working.

To be clear, this is not a criticism of workers -- they have to make decisions that are in the best financial interest of their families. Nor is it a criticism of the people who work for the UI program. This problem falls squarely on the shoulders of Governor Evers.

*Handrick is the Executive Director of **Common Sense Wisconsin** and former administrator of the Unemployment Insurance program within the Department of Workforce Development under former Governor Scott Walker. For more information, see [commonsensewisconsin.com](http://commonsensewisconsin.com).*