

Turning down fed money, Senate GOP plans to keep one-week unemployment delay

Posted on Wednesday, Mar 24, 2021

Senate Majority Leader Devin LeMahieu told WisPolitics.com Senate Republicans won't extend the suspension of a one-week waiting period so laid off Wisconsinites can begin collecting unemployment right away.

The Oostburg Republican said his caucus is hearing from businesses around the state that are having a hard time filling open positions. He said his members think the suspension serves as a disincentive to look for another job.

"Doing anything to incentivize people not to get back to work is not the right thing to do for Wisconsin right now," LeMahieu said.

Senate Minority Leader Janet Bewley, D-Mason, knocked the move, saying her GOP colleagues were underestimating the dire circumstances some Wisconsinites face a year into the pandemic. What's more, she said those federal funds would have a ripple effect in the economy as people are able to continue paying their bills after losing a job.

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"For those who are not working and desperately need the money, one week of wages is a lot to many, many people who live literally from paycheck to paycheck," Bewley said.

The state would have to extend the suspension in order to qualify for federal funding under the latest COVID-19 bill, which would cover all of the costs for the first week of unemployment. Only states that don't require a one-week waiting period qualify for the federal money.

Republicans originally approved the one-week waiting period a decade ago, in part, to ease the demand on the state's unemployment insurance trust fund coming out of the "Great Recession." They then agreed to suspend the waiting period in April in order to capture federal funds to help cover the costs of that first week of unemployment. But because GOP leaders didn't push the bill through until mid-April, the state lost out on \$25 million in federal funds.

That suspension ended Feb. 7, and Republicans knocked Gov. Tony Evers for vetoing a COVID-19 bill that included the suspension because it again put the state at risk of missing out on federal funds. But an extension through mid-March was approved two weeks later, and the Department of Workforce Development has said it believes the federal government will reimburse the state for the estimated \$3.9 million in federal funds it missed.

The latest federal relief bill enhanced the federal matching money. Originally it was for 50 percent of the costs for the first week of unemployment. The bill boosted that to 100 percent through early September. It also increased the reimbursement rate to 100 percent retroactively to the end of December.

DWD earlier this month reported unemployment had dropped to 3.8 percent in January, from 4 percent in December.

Assembly Speaker Robin Vos, R-Rochester, said he expects GOP members to discuss UI in a caucus today.

Vos previously said he's more worried about "creating a disincentive to work" with federal UI expansion than with again suspending the one-week waiting period.