

DRAFT

Council on Worker's Compensation
Meeting Minutes – Virtual Meeting via WebEx
201 E. Washington Avenue
GEF-1 Building
Madison, Wisconsin
August 12, 2025

The Department of Workforce Development (DWD) provided public notice of the meeting under Wis. Stat. § 19.84.

Members present in-person and via video: Ms. Bloomingdale, Mr. Buchen, Mr. Kent, Ms. Kosnicki, Mr. Large, Ms. Meidl, Mr. Nettum, Mr. O'Malley (Acting Chairperson), Mr. Reese, Mr. Schwanda, and Mr. Tindall.

Excused: Mr. Dipko, Ms. Frank, Mr. Fugina, and Ms. Ver Velde

Staff Present: Deputy Secretary McGillivray, Mr. Aiello, Ms. Brown, Ms. Driese, Mr. Guler, Mr. Holland, Ms. Lake, Ms. McCormick, Ms. Olson, Mr. Przybylo, Ms. Przybylo, and Mr. Spencer.

- 1. Call to Order/Introductions:** Mr. O'Malley convened the Worker's Compensation Advisory Council (WCAC) meeting at approximately 3:41 p.m. in accordance with Wisconsin's open meetings law and called roll of the WCAC members.
- 2. Approval of the Minutes:** A motion was made by Ms. Bloomingdale to approve the minutes of the July 9, 2025 meeting. Mr. Buchen seconded the motion. The minutes were unanimously approved without correction.
- 3. Correspondence:** Mr. O'Malley reported that one piece of correspondence was received since the last meeting. An e-mail message dated July 25, 2025 from Mark asked why Wisconsin has a current mileage rate of 51 cents per mile when other states use the IRS rate of 70 cents per mile. Mr. O'Malley explained that in 2006, the WCAC codified the use of the State of Wisconsin's travel expense rates for state employees who travel for work to reimburse injured employees for travel expenses. He further explained that the current mileage rate has not changed since July 1, 2012. Mr. Buchen requested that a letter be sent to Mark explaining the history of the current mileage rate.
- 4. Legislative Updates:** Mr. O'Malley advised that 2025 AB 232 which transferred worker's compensation adjudicatory functions from the Division of Hearings and Appeals (DHA) to DWD was signed into law by Governor Evers on August 8, 2025. 2025 Wis. Act 33 was published on August 9, 2025. In addition, 2025 AB 269 dealing with application-based drivers was vetoed by Governor Evers on August 8, 2025.
- 5. Review of Department Proposals:** Mr. O'Malley stated that the DWD proposals were

presented to and reviewed with the WCAC at the July 19, 2025 meeting. Since that time, a new subsection 5 was added to Department Proposal No. 1 which amends s.102.75, Wis. Stats., to allow for extra accountability and transparency on the proposal for a sum sufficient budget operation.

Proposed language to amend s. 102.75, Wis. Stats.

Administrative expenses: If costs and expenses for the administration of this chapter under s. 20.445 (1)(ra) and s. 20.445 (1)(rp) in any fiscal year are fifteen percent greater than costs and expenses in the prior fiscal year after accounting for cost increases authorized and funded through any new legislation, the division shall report to the council on worker's compensation on that increase during a council meeting on or before September 30, but after the close of the state fiscal year.

Mr. Buchen stated that the WCAC is not inclined to adopt Department Proposal No. 1. He stated there was no adequate justification for a sum sufficient operation. He noted that the Legislature did not approve this request in the past. Ms. Anne Olson, Director, DWD Office of Budget and Policy explained that the Worker's Compensation Division (WCD) does not have the necessary budget authority to perform its required operations, despite cost containment measures including holding vacancies open and eliminating travel. There have been increases in mandatory cost areas that the WCD has no control over, such as administrative services, accounting, procurement, mail room, legal services provided by LIRC and DHA, and those expenses are greater than the budget increases that the WCD received. A sum sufficient appropriation would allow the DWD and the WCD to request budget authority in the amount needed to perform its required activities in support of and to respond to its stakeholders in a timely manner. This request is intended and needed for existing operations.

Mr. Buchen inquired as to the reason for the WCD not receiving enough budgetary authority in the Budget Bill. Ms. Olson explained that each year the WCD receives increases for salary- and rent-related costs. It does not receive increases for any expenses beyond those costs, which can include administrative services like accounting and procurement, DOA assessments, and increased costs associated with LIRC and DHA. The WCD is not in control of these cost increases. Mr. Buchen noted that the inability to budget for these costs does not make a lot of sense.

Ms. Olson further explained that the costs are outside standard budget adjustments. Without proper funding, DWD will have to make a special one-time stand-alone request for additional funding. Ms. Olson suggested the most appropriate resolution would be to request a change in the budget authority to an appropriation for sum sufficient. Requests for a continuing appropriation or a one-time budget increase could be made. The sum sufficient option was selected for a couple of appropriation reasons.

Mr. Buchen proposed that the WCAC approve a one-time adjustment.

Ms. Bloomingdale requested an explanation of how subsection 5 of Department Proposal No. 1 intersects with the sum sufficient request. Ms. Olson explained the impetus behind subsection 5 was concerns about guardrails and oversight related to the WCD's budget. This subsection will provide a statutorily required report by the WCD.

Mr. Buchen endorsed the idea of the WCD determining how much additional funding is needed for the current biennium and placing that appropriation in the Agreed Upon Bill. He stated that if more was needed in the next biennium, then the WCAC could address it in the next cycle.

Ms. Bloomingdale inquired as to whether additional funding will be required for the development of the hospital fee schedule. Mr. Buchen replied that \$100,000 was included as an appropriation in the Budget Bill to implement the hospital fee schedule. Mr. Buchen expanded on this information stating that the WCD may go to the Joint Committee on Finance if more money is needed via the section 13.10 process. Mr. O'Malley clarified that the appropriation was \$100,000 per year for each year of the biennium. He also noted that the WCD is required to hire a third-party expert to develop the hospital fee schedule. No action has been taken yet to make cost estimates or request bids for the third-party vendor.

Mr. Buchen reiterated there is support for an appropriation bill that would meet the WCD's needs.

Department Proposal 2: Mr. Buchen and Ms. Bloomindale indicated that the WCAC adopted this proposal.

Department Proposal 3: Mr. O'Malley stated that this proposal was being withdrawn by DWD.

Department Proposal 4: Mr. Buchen indicated that Management objects to this proposal because it is a substantial policy change that should not have been in the Budget Bill. Ms. Bloomingdale requested time to discuss this matter in caucus.

Department Proposal 5: Mr. Buchen and Ms. Bloomindale indicated that the WCAC adopted this proposal.

Department Proposal 6: Mr. Buchen and Ms. Bloomindale indicated that the WCAC adopted this proposal.

Department Proposal 7: Mr. Buchen and Ms. Bloomindale indicated that the WCAC adopted this proposal.

Department Proposal 8: Mr. Buchen and Ms. Bloomindale indicated that the WCAC adopted this proposal.

Department Proposal 9: Mr. Buchen and Ms. Bloomindale indicated that the WCAC adopted this proposal.

Department Proposal 10: Mr. Buchen and Ms. Bloomindale indicated that the WCAC adopted this proposal.

Ms. Bloomingdale inquired as to whether a one-time appropriation would provide the WCD with adequate funding to keep services moving ahead and to develop the hospital fee schedule. Ms. Olson replied that she had not have an opportunity to discuss this option with the WCD and could not give a definitive answer. Ms. Olson explained that the WCD has an annual appropriation at this time and that any changes to that budget amount would require approval of the Legislature. Mr. Buchen asked why the WCD's appropriation was not biennial. Ms. Olson noted that DWD has a number of different types of appropriations. Mr. Buchen restated that a one-time appropriation increase was the preference of the WCAC.

6. **Adjourn to Caucus:** A motion was made by Ms. Bloomingdale to go into closed caucus under s. 19.85 (1) (eg), Wis. Stats., to deliberate items on the agenda, and to return from caucus. Mr. Buchen seconded the motion. The motion passed unanimously. The closed session, statutory authority and the nature of the business was announced. The meeting was adjourned at approximately 4:18 p.m. The open meeting portion of the meeting was reconvened at 4:47 p.m.
7. **Department Proposals:** Ms. Bloomingdale announced that the WCAC would include a one-time budget request to be included in Department Proposal 1. The sum sufficient proposals could be considered in the next bill. She asked for additional information about the appropriation request. She asked that the sum for the one-time budget request be available to the WCAC by the next meeting date.

Ms. Bloomingdale confirmed that Department Proposal No. 3 and No.4 were being removed from consideration.

A motion was made by Mr. Buchen to adopt the modified Department Proposal No.1 and Department Proposals Nos. 2, 5, 6, 7, 8, 9, and 10. Ms. Bloomingdale seconded the motion. The motion passed unanimously.

8. **Other business:** Future meetings were scheduled for August 26, 2025 and August 27, 2025. It was agreed meetings scheduled on these dates would be canceled and a date in September 2025 would be selected for a future meeting.

Mr. O'Malley thanked all of the members of the WCAC for their participation in the process.

9. **Motion to Adjourn:** A motion was made by Mr. Buchen to adjourn the meeting for the day. The motion was seconded by Ms. Bloomingdale. The motion passed unanimously. The meeting was adjourned at approximately 4:51 p.m.