

**Clearinghouse Rule 16-036**

Rules Clearinghouse No. \_\_\_\_\_

Proposed Hearing Draft  
June 1, 2016

**PROPOSED ORDER OF THE WISCONSIN  
DEPARTMENT OF WORKFORCE DEVELOPMENT  
CREATING AND ADOPTING RULES**

2           The Wisconsin department of workforce development proposes the following order *to*  
3 *create* ch. 131 relating to pre-employment drug testing, substance abuse treatment program and  
4 job skills assessment.

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**Analysis Prepared by the Department of  
Workforce Development**

***Statutes Interpreted***

Statutes Interpreted: Ch. 108, Stats.

***Statutory Authority***

Statutory Authority: ss. 108.04 (8) (b), 108.133 (2) (a) and (4), 108.14 (2) and (4), Stats.

***Explanation of Statutory Authority***

The Department of Workforce Development (DWD) has specific and general authority to establish rules interpreting and clarifying provisions of ch. 108, Stats., unemployment insurance and reserves, and general authority for promulgating rules with respect to ch. 108, Stats., under ss. 108.14 (2) and (4), Stats.

2015 Wisconsin Act 55 (Act 55) created s. 108.133 (4), Stats., which requires DWD to promulgate rules to create procedures for an employing unit to voluntarily submit the positive results of a test for the presence of controlled substances conducted on an individual, or report that an individual declined to submit to a test, as a condition of new employment. Act 55 also created s. 108.04 (8) (b), Stats., which requires DWD to promulgate rules to create a period of ineligibility or a requalification requirement, or both, as it relates to an individual’s failure to accept suitable work due to the positive result of a test. Act 55 created s. 108.133 (3) (d), Stats., which permits an individual who fails a pre-employment drug test to remain eligible for benefits if the individual enrolls in and complies with the requirements of a drug treatment program and a skills assessment, which DWD must create under ss. 108.133 (2) (a) 2. and 4., Stats.,

***Related Statute or Rules***

*Plain Language Analysis*

This rule implements the requirements specified under Act 55, relating to pre-employment drug testing, substance abuse treatment program and job skills assessment. Act 55 created s. 108.04 (8) (b), Stats., which provides the following:

- There is a rebuttable presumption that an individual failed without good cause to accept suitable work if DWD determines, based on a report submitted by an employing unit, that an employing unit required the individual to submit to a test for the presence of controlled substances as a conditional offer of employment and withdrew the conditional offer after the individual declined to submit to the test, or tested positive for one or more controlled substances without providing evidence of a valid prescription for each controlled substance.
- For an individual that declines to submit to a test, the individual shall be ineligible for benefits until the individual qualifies for benefits in accordance to the rules promulgated by DWD.
- For an individual that tests positive for the presence of controlled substances without providing evidence of a valid prescription, the individual shall be ineligible for benefits until the individual qualifies for benefits in accordance with the rules promulgated by DWD or the individual may maintain eligibility for benefits if the individual enrolls in and complies with the requirements of a substance abuse treatment program and completes a job skills assessment.

In addition, Act 55 provides that DWD shall:

- Create and provide a substance abuse treatment program for individuals who engage in the unlawful use controlled substances.
- Specify criteria that a claimant must satisfy in order to be considered in full compliance with the substance abuse treatment program.
- Create and conduct a job skills assessment for claimants who engage in the unlawful use of controlled substances.
- Identify criteria that an individual must satisfy to be considered in full compliance with the requirements of the job skills assessment.

This rule implements the requirements specified under Act 55 and creates a process for an employing unit to voluntarily submit the positive results of a test conducted on an individual to DWD, if the test was required as a condition of an offer of employment and the individual was informed that the results may be submitted to DWD, the test was conducted or confirmed by a laboratory certified by the Substance Abuse and Mental Health Services Administration of the U.S. Department of Health and Human Services, and the individual tested positive for one or more controlled substances without evidence of a valid prescription. In addition, the rule identifies the process by which the employing unit can report the positive results of a test to DWD.

An employing unit may voluntarily notify DWD that an individual declined to submit to a test for the presence of controlled substances as a condition of employment and the individual was

informed before testing, that the employing unit may notify the department if the individual declined to submit to the test.

If a report is submitted by an employing unit of the positive results of a test conducted on an individual as a condition of an offer of employment, or the employing unit notifies DWD that an individual declined to submit to a test for the presence of controlled substances, DWD shall determine if the individual is receiving unemployment insurance benefits. If DWD determines the individual is receiving unemployment insurance benefits, there is a rebuttable presumption that the individual failed to accept suitable work. This rule provides the individual may overcome the presumption by proving certain facts by a preponderance of the evidence.

Under this rule, an individual that fails a test without presenting evidence of a valid prescription or declines to submit to a test is ineligible for benefits until the individual earns wages at least 6 times the individual's weekly benefit rate beginning after the week in which the individual tests positive or declines to submit to the test.

An individual that tests positive for controlled substances without presenting evidence of a valid prescription may maintain benefit eligibility by enrolling in and complying with a substance abuse treatment program, and completing a job skills assessment.

This rule also identifies the parameters for a substance abuse treatment program for individuals that test positive for the presence of one or more controlled substances (without a valid prescription). In addition, this rule does all of the following:

- Requires an individual to schedule an assessment with a substance abuse treatment provider within 5 working days as directed by the department.
- Requires an individual to comply with all conditions of a treatment plan developed by a substance abuse treatment provider.
- Specifies that the substance abuse treatment provider will determine if an individual is in compliance with the substance abuse treatment program requirements, and inform the department on a weekly basis of the individual's compliance.
- Provides that DWD will pay for reasonable costs associated with the substance abuse treatment plan requirements for each week the individual is otherwise eligible for unemployment insurance benefits under ch. 108, Stats.
- Requires an individual to complete a job skills assessment as directed by the department.

### ***Summary of, and comparison with, existing or proposed federal statutes and regulations***

There are no existing or proposed federal regulations relating to pre-employment drug testing.

### ***Comparison with rules in adjacent states***

Michigan law previously provided that an individual would be disqualified from receiving unemployment insurance benefits if an employer withdrew a conditional offer of employment after the individual failed or refused to take a pre-employment drug test. Mich. Comp. Laws Ann. § 421.29(1)(e). The failed or refused pre-employment drug test would be considered a failure to accept suitable work. Michigan law did not provide drug treatment as an option for

claimants to maintain benefit eligibility. Michigan's law was in effect from October 29, 2013 until October 29, 2014.

DWD is not aware of any unemployment insurance disqualification for a failed pre-employment drug test in Illinois, Minnesota or Iowa.

### ***Summary of factual data and analytical methodologies***

DWD consulted with the Unemployment Insurance Advisory Council and the Departments of Health Services, Corrections, and Children and Families to identify the parameters of a substance abuse treatment program for claimants who engage in the unlawful use of controlled substances.

### ***Analysis and supporting documents used to determine effect on small business or in preparation of an economic impact analysis***

The effect on small business was determined by reviewing estimates of costs a business would incur in order to comply with the law.

### ***Effect on small business***

This rule does not have an economic impact on small businesses as defined in s. 227.114 (1), Stats. DWD's regulatory review coordinator may be contacted by email at [karl.dahlen@dwd.wisconsin.gov](mailto:karl.dahlen@dwd.wisconsin.gov), or by calling (608) 266-9427.

### ***Agency contact person***

Questions and comments related to this rule may be directed to:

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E-Mail: [janell.knutson@dwd.wi.gov](mailto:janell.knutson@dwd.wi.gov)

### ***Place where comments are to be submitted and deadline for submission***

Janell Knutson  
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P.O. Box 8942  
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1 (a) The test for the presence of controlled substances was conducted as a condition of an  
2 offer of employment and the employing unit informed the individual, before testing, that the  
3 positive results may be submitted to the department.

4 (b) The test was conducted or confirmed by a laboratory certified by the substance abuse  
5 and mental health services administration of the United States department of health and human  
6 services.

7 (c) The individual tested positive for one or more controlled substances without evidence  
8 of a valid prescription for each controlled substance.

9 (d) The employing unit complies with all of the provisions of this chapter.

10 (2) REPORTING POSITIVE RESULTS OF A TEST TO THE DEPARTMENT. To report positive  
11 results to the department, the employing unit shall provide all of the following information, on a  
12 form prescribed by the department, within 3 business days from the date on which the employing  
13 unit received the positive results:

14 (a) The name, address, and telephone number of the employing unit, and if applicable,  
15 the unemployment insurance account number of the employing unit.

16 (b) The name, address, telephone number, and social security number of the individual  
17 that tests positive for the presence of controlled substances.

18 (c) The following information related to the conditional offer of employment that the  
19 employing unit offered to the individual:

20 1. Documentation of the conditional offer of employment.

21 2. The date on which the employing unit extended the conditional offer of employment  
22 to the individual.

23 3. The date on which employment would begin, the rate of pay offered to the individual,  
24 the number and arrangement of hours, and the kind of work that would be performed.

1           4. The date and manner in which the employing unit informed the individual that, as a  
2 condition of the offer of employment, the individual must submit to a test for the presence of  
3 controlled substances.

4           (d) The date and manner in which the employing unit informed the individual that  
5 positive results may be submitted to the department.

6           (e) The following information related to the administration of the test and positive  
7 results:

- 8           1. The name, address and telephone number of the laboratory that conducted the test.
- 9           2. The date on which the individual submitted to the test.
- 10          3. The controlled substances detected in the test.
- 11          4. A copy of the laboratory's report.

12          (f) The date the employing unit received the results of the test from the laboratory.

13          (g) The date and manner in which the employing unit withdrew the conditional offer of  
14 employment after the employing unit received the positive results.

15          (h) Any additional information requested by the department.

16          **Note:** To obtain a form under this section, contact the Department of Workforce  
17 Development, Division of Unemployment Insurance, 201 E. Washington Avenue,  
18 P.O. Box 7905, Madison, WI 53707 by telephone at (608) 232-0633 or (414) 438-  
19 7705 or access the form online at [www.dwd.state.wi.gov](http://www.dwd.state.wi.gov).

20  
21          (3) INDIVIDUAL DECLINING TO SUBMIT TO A TEST FOR THE PRESENCE OF CONTROLLED  
22 SUBSTANCES. An employing unit may notify the department that an individual declined to  
23 submit to a test for the presence of controlled substances if all of the following apply:

24          (a) The test for the presence of controlled substances was required as a condition of an  
25 offer of employment and the employing unit informed the individual, before testing, that the  
26 employing unit may notify the department if the individual declines to submit to the test.

27          (b) The employing unit complies with all of the provisions of this chapter.

1 (4) NOTIFICATION TO DEPARTMENT OF INDIVIDUAL DECLINING TEST. To notify the  
2 department that an individual declined to submit to a test for the presence of controlled  
3 substances, the employing unit shall provide all of the following information, on a form  
4 prescribed by the department, within 3 business days from the date on which the individual  
5 declined to submit to the test:

6 (a) The name, address, and telephone number of the employing unit, and if applicable,  
7 the unemployment insurance account number of the employing unit.

8 (b) The name, address, telephone number, and social security number of the individual  
9 that declined to submit to a test for the presence of controlled substances.

10 (c) The following information related to the conditional offer of employment from the  
11 employing unit to the individual:

12 1. Documentation of the conditional offer of employment.

13 2. The date on which the employing unit extended the conditional offer of employment  
14 to the individual.

15 3. The date on which employment would begin, the individual's pay rate, the number and  
16 arrangement of hours, and the kind of work that would be performed.

17 4. The date and manner in which the employing unit informed the individual that, as a  
18 condition of the offer of employment, the individual must submit to a test for the presence of  
19 controlled substances.

20 (d) The date and manner in which the employing unit informed the individual that the  
21 employing unit may notify the department if the individual declined to submit to a test for the  
22 presence of controlled substances.

23 (e) The following information related to the individual declining to submit to a test for  
24 the presence of controlled substances:



- 1 1. The date the individual declined to submit to a test.
- 2 2. Documentation that the individual declined to submit to the test.
- 3 3. The date the employing unit received notification that the individual declined to

4 submit to the test.

5 (f) The date and manner the employing unit withdrew the conditional offer of  
6 employment after the employing unit received notice that the individual declined to submit to a  
7 test for the presence of controlled substances.

8 (g) Any additional information requested by the department.

9 **Note:** To obtain a form under this section, contact the Department of Workforce  
10 Development, Division of Unemployment Insurance, 201 E. Washington Avenue,  
11 P.O. Box 7905, Madison, WI 53708, by telephone at (608) 232-0633 or (414) 438-  
12 7705 or access the form online at [www.dwd.state.wi.gov](http://www.dwd.state.wi.gov).

13 (5) DEPARTMENT DETERMINATION OF AN INDIVIDUAL RECEIVING BENEFITS. (a) The  
14 department shall determine, after receiving the information submitted by an employing unit  
15 under sub. (2) or (4), whether the individual is receiving benefits under ch. 108, Stats.

16 (b) If the department determines the individual is receiving benefits under par. (a), the  
17 department shall use the information reported under sub. (2) or (4) to determine eligibility under  
18 s. 108.04 (8) (b), Stats. The department shall provide information regarding the documentation  
19 submitted by an employing unit under sub. (2) or (4) to the individual.

20 (6) REBUTTABLE PRESUMPTION FOR FAILURE TO ACCEPT SUITABLE WORK. (a) If the  
21 department determines an individual is receiving benefits under sub. (5) (a), the department shall  
22 provide the individual an opportunity to overcome the presumption that the individual failed,  
23 without good cause, to accept suitable work when offered under s. 108.04 (8) (b), Stats.

24 (b) An individual may overcome the presumption that the individual failed, without good  
25 cause, to accept suitable work when offered under s. 108.04 (8) (b), Stats., if the individual tested

1 positive for the presence of one or more controlled substances, and the individual establishes by  
2 a preponderance of the evidence, any of the following:

3 1. The employing unit did not extend an offer of employment contingent on the  
4 individual submitting to a test for the presence of controlled substances.

5 2. The employing unit withdrew the offer of employment before the employing unit  
6 received the positive results of the test.

7 3. The individual held a valid prescription at the time of the test for each controlled  
8 substance detected in the test.

9 4. The test for the presence of controlled substances was not conducted or confirmed by  
10 a laboratory certified by the substance abuse and mental health services administration of the  
11 United States department of health and human services.

12 5. The requirements under s. 108.04 (9), Stats., apply to the work offered.

13 6. Any circumstances which the department determines are beyond the individual's  
14 control.

15 (c) The individual may overcome the presumption that the individual failed, without  
16 good cause, to accept suitable work when offered under s. 108.04 (8) (b), Stats., by declining to  
17 submit to a test for the presence of controlled substances if the individual establishes by a  
18 preponderance of the evidence, any of the following:

19 1. The employing unit did not extend an offer of employment contingent on the  
20 individual submitting to a test for the presence of controlled substances.

21 2. The individual was unable to complete a test for the presence of controlled substances  
22 due to medical reasons.

23 3. The individual accepted an offer of employment from another employing unit before or  
24 at the time the individual declined to submit to the test under sub. (3).

1 4. The employing unit required the individual to pay for the test.

2 5. The requirements under s. 108.04 (9), Stats. apply to the work offered.

3 6. Any circumstances which the department determines are beyond the individual's  
4 control.

5 (7) PERIOD OF INELIGIBILITY AND REQUALIFICATION REQUIREMENTS FOR BENEFITS. (a) An  
6 individual under this chapter that has failed, without good cause, to accept suitable work due to  
7 the positive results of a test without presenting evidence of a valid prescription, is ineligible to  
8 receive benefits until the individual earns wages after the week in which the failure occurs equal  
9 to at least 6 times the individual's weekly benefit rate under s. 108.05 (1), Stats., in employment  
10 or other work covered by the unemployment insurance law of any state or the federal  
11 government.

12 (b) Notwithstanding par. (a), an individual under this chapter that has failed, without  
13 good cause, to accept suitable work due to the positive results of a test without presenting  
14 evidence of a valid prescription, may maintain eligibility for benefits under ch. 108, Stats., by  
15 enrolling in and complying with a substance abuse treatment program under s. DWD 131.30 and  
16 completing a job skills assessment as prescribed under s. DWD 131.40.

17 (c) An individual under this chapter that has failed, without good cause, to accept  
18 suitable work by declining to submit to a test for the presence of controlled substances, is  
19 ineligible to receive benefits until the individual earns wages after the week in which the failure  
20 occurs equal to at least 6 times the individual's weekly benefit rate under s. 108.05 (1), Stats., in  
21 employment or other work covered by the unemployment insurance law of any state or the  
22 federal government.

23 **DWD 131.30 Substance abuse treatment program.** (1) ELIGIBILITY. (a) An individual  
24 that tests positive for the presence of controlled substances under this chapter may enroll in a

1 substance abuse treatment program if all of the following apply:

- 2 1. The individual is otherwise eligible for benefits under ch. 108, Stats.
- 3 2. The services offered by a substance abuse treatment program are administered by a  
4 substance abuse treatment provider approved by the department.

5 (b) An individual eligible under par. (a) may enroll in a substance abuse treatment  
6 program one time per benefit year.

7 (2) AUTHORIZATION TO RELEASE RECORDS. An individual that is eligible to enroll in a  
8 substance abuse treatment program under sub. (1) shall provide written authorization to the  
9 department for the disclosure of the individual's records by the substance abuse treatment  
10 provider.

11 (3) ASSESSMENT. A substance abuse treatment provider shall use an assessment  
12 conducted under this chapter in order to determine the extent and severity of the individual's use  
13 of controlled substances, and to determine the type of intervention necessary to address the  
14 individual's use of controlled substances.

15 (4) SUBSTANCE ABUSE TREATMENT PLAN. The substance abuse treatment provider shall  
16 develop a substance abuse treatment plan that identifies the goals, objectives, resources and dates  
17 of treatment for the individual. The substance abuse treatment provider shall provide a copy of  
18 the substance abuse treatment plan to the department.

19 (5) SUBSTANCE ABUSE TREATMENT PROGRAM ENROLLMENT. Within 5 working days of  
20 being directed by the department, an individual shall contact an approved substance abuse  
21 treatment provider to schedule an assessment. An individual is considered to be enrolled in a  
22 substance abuse treatment program if any of the following apply:

23 (a) The individual schedules an assessment for the earliest date that is available with a  
24 substance abuse treatment provider.

1 (b) The individual requests placement on a waitlist for an assessment if the individual is  
2 unable to schedule an assessment with a substance abuse treatment provider. An individual that  
3 requests placement on a waitlist shall certify on a weekly basis, in a manner prescribed by the  
4 department, that the individual will schedule an assessment when services first become available  
5 with a substance abuse treatment program provider.

6 (6) SUBSTANCE ABUSE TREATMENT PROGRAM COMPLIANCE. (a) An individual shall  
7 comply with all requirements of a substance abuse treatment plan as prescribed in sub. (4).  
8 Compliance in a substance abuse treatment program shall be satisfied by any of the following:

9 1. The substance abuse treatment provider informs the department on a weekly basis, in a  
10 manner prescribed by the department, of an individual's compliance with the substance abuse  
11 treatment plan.

12 2. The individual certifies to the department on a weekly basis, in a manner prescribed by  
13 the department, that the individual is placed on a waitlist for a substance abuse treatment  
14 program and will comply with a substance abuse treatment plan when services first become  
15 available with a substance abuse treatment provider.

16 (b) An individual that fails to comply with the substance abuse treatment plan under par.  
17 (a) is ineligible to receive benefits until the individual earns wages after the week in which the  
18 failure occurs equal to at least 6 times the individual's weekly benefit rate under s. 108.05 (1),  
19 Stats., in employment or other work covered by the unemployment insurance law of any state or  
20 the federal government.

21 (7) SUCCESSFUL COMPLETION OF SUBSTANCE ABUSE TREATMENT PROGRAM. A substance  
22 abuse treatment provider shall notify the department as directed, when an individual successfully  
23 completes the requirements of the substance abuse treatment program.

1 (8) SUBSTANCE ABUSE TREATMENT PROGRAM COSTS. (a) The department shall pay for  
2 reasonable costs of the services provided by the substance abuse treatment provider as set forth  
3 in the individual's substance abuse treatment plan for each week the individual is eligible for  
4 benefits under ch. 108, Stats.

5 (b) Notwithstanding par. (a), the department shall pay for reasonable costs of the services  
6 provided by the substance abuse treatment provider as set forth in the substance abuse treatment  
7 plan if the individual is determined ineligible for benefits under ch. 108, Stats., solely due to the  
8 individual complying with the requirements of the individual's substance abuse treatment plan.

9 **DWD 131.40. Jobs skills assessment.** (1) An individual that tests positive for the  
10 presence of controlled substances under this chapter and that elects to enroll in and comply with  
11 a substance abuse treatment plan under this chapter shall complete a job skills assessment as  
12 directed by the department.

13 (2) The department may require an individual to participate in reemployment services  
14 under s. DWD 127.07 in order to complete the job skills assessment.

15 (3) An individual that fails to participate in a job skills assessment under this section as  
16 directed by the department is ineligible to receive benefits until the individual earns wages after  
17 the week in which the failure occurs equal to at least 6 times the individual's weekly benefit rate  
18 under s. 108.05 (1), Stats., in employment or other work covered by the unemployment insurance  
19 law of any state or the federal government.

20 **SECTION 2. EFFECTIVE DATE.** This rule takes effect on the first day of the month  
21 following publication in the Wisconsin administrative register, as provided under s. 227.22 (2)  
22 (intro.).

Dated this \_\_\_\_ day of \_\_\_\_\_, 2016.

STATE OF WISCONSIN  
DEPARTMENT OF WORKFORCE

DEVELOPMENT

By: \_\_\_\_\_  
Raymond Allen, Secretary