

 **13hr_AC-WD_ab0400_pt02**



(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2013-14

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on Workforce Development...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (October 2014)



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

*Talent
Bridge
Justice
Goodwill*

October 15, 2013

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Senate Bill 332: Special Occupational Training

Senate Bill 332 was introduced on October 4, 2013, and was referred to the Committee on Economic Development and Local Government. The bill was recommended for passage by that Committee on October 11, 2013, on a vote of 5 to 0.

BACKGROUND -- 2011 WISCONSIN ACT 123

2011 Wisconsin Act 123 created a temporary special occupational training program. Special occupational training generally meant training offered directly by an employer to a claimant who is not employed by the employer. The Department of Workforce Development (DWD) was required to administer this pilot program for unemployment insurance (UI) claimants who wanted to participate in areas of the state served by three local workforce development boards, as designated by the Department. DWD designated the Milwaukee Area Workforce Investment Board, the Southeast Wisconsin Workforce Development Area, and the Southwest Wisconsin Development Area for the program. The Department had to offer the program within the entire area served by these boards. Participants in the program were allowed to receive UI benefits in addition to a weekly training stipend.

DWD had to accept applications from employers to offer special occupational training to claimants and had to offer claimants the opportunity to receive placements to receive the training. On the application, each employer had to affirm that it had a job opening, as of the date of the application, for each training participant that it sought in a position that a successful participant could have potentially qualified to fill. If DWD found that an employer providing placements under the program had not hired a reason percentage of qualified trainees, the Department could have declined to accept further applications for placements from that employer.

The Department had to place claimants who applied for special occupational training with employers who offered placements. DWD could only place a claimant to receive special

occupational training during that claimant's UI benefit year. Each placement could not exceed a six-week period. A UI claimant could participate in special occupational training for between 20 and 24 hours per week during a placement. A claimant could not receive more than two placements during his or her benefit year, and no claimant could receive a placement for any period that included a week beginning after the end of the first 26 weeks of the claimant's benefit year.

A claimant who participated in special occupational training was not disqualified from receiving UI benefits solely on account of receiving the training. DWD could suspend a claimant's obligation to be available for work during those hours in which the claimant participated in special occupational training, but the claimant had to maintain his or her availability for work during other hours of the week. A claimant had to maintain his or her eligibility for benefits during the placement and had to terminate a placement if necessary to accept any work that the claimant was required to accept in order to maintain continuous eligibility for benefits.

DWD had to pay a stipend of \$75 per week to each claimant who participated in special occupational training, unless the claimant declined the stipend for the entire period of a placement by notifying the Department, in writing, of the declination. Payments were made from the UI claimant training stipends appropriation, which was a sum sufficient GPR appropriation.

DWD had to issue a training certificate, which described the skills in which the claimant received training, to each claimant upon successful completion of each special occupational training placement. Act 123 provided the Department rulemaking authority for this program.

Under the provisions of Act 123, a claimant participating in a special occupation training program was not considered an employee (under UI law) of the employer providing training. The \$75 stipend paid to each claimant for each week in which the claimant received training was not treated as wages earned under UI law. In addition, a claimant participating in special occupational training was not disqualified for receiving UI benefits for rejecting suitable work if DWD determined that there was a reasonable expectation that the claimant would receive an offer of full-time work at the end of the training period.

A person who participated in special occupational training was considered an employee of the employer for purposes of workers compensation (WC) law. If WC benefits were paid to a participant in such training, those benefits were calculated based on the usual going earnings paid for similar services on a normal full-time basis in the same or similar employment.

The provisions of Act 123 sunset on July 1, 2013. Act 123 required DWD to submit a report to the Legislature evaluating the effectiveness of the special occupational training program and provided DWD's recommendations concerning extension of the program or changes to the program that may enhance its effectiveness no later than May 30, 2013. A copy of that report is provided in the Attachment.

According to DWD, the pilot special occupational training program was implemented from June 1, 2012, through June 3, 2013. A total of 753 UI claimants were eligible and applied for

special occupational training. Of those individuals, 143 were hired by employers following a pre-placement interview without receiving special occupational training. Seventy individuals received and completed special occupational training, 23 of whom were placed in employment with 17 different employers. DWD paid stipends of \$23,000 GPR to trainees during the pilot program. The Department reports that federal Workforce Investment Act and Wagner Peyser monies of \$450,600 were used to pay for contracting for training services with providers and other administrative costs of the Department.

As noted, DWD was required to submit a report to the Legislature evaluating the effectiveness of the special occupational training program and recommend changes that may enhance its effectiveness. The Department recommended that: (a) training should be permitted for up to 40 hours per week; (b) a claimant's work search requirement to remain eligible for UI benefits should be waived during participation in the program; and (c) the program should continue as a pilot in the same areas for at least two more years and be measured to allow for additional promotion, stabilization, and more utilization of the program.

SUMMARY OF BILL

SB 332 would restore the provisions of Act 123 for two years, beginning on the first Sunday after publication of the bill, with certain changes. The differences between the provisions of Act 123 and the bill are shown below.

a. Under Act 123, a claimant could participate in special occupational training for between 20 and 24 hours per week during a placement. SB 332 would permit a claimant to participate in such training for up to 40 hours per week during a placement.

b. SB 332 would require DWD to waive a claimant's work search requirement for each week that the claimant participates in 20 or more hours of special occupational training. Act 123 did not contain this provision.

c. SB 332 would require DWD to continue the pilot program in the same areas that were designated under Act 123. As a result, the Milwaukee Area Workforce Investment Board, the Southeast Wisconsin Workforce Development Area, and the Southwest Wisconsin Development Area would continue to be the three areas eligible for participation in the special occupational training pilot program.

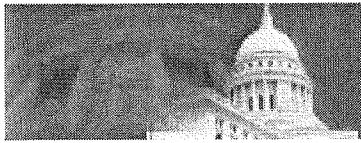
d. Act 123 required DWD to submit a report to the Legislature evaluating the effectiveness of the special occupational training program and providing DWD's recommendations concerning extension of the program or changes to the program that could enhance the program's effectiveness no later than May 30, 2013. SB 332 would require DWD to submit a similar report to both the Legislature and the Governor no later than 22 months after the first Sunday after publication.

FISCAL IMPACT

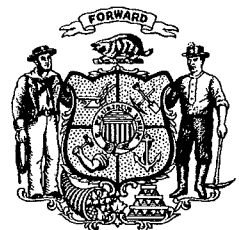
According to DWD, the bill would increase GPR expenditures for stipends paid from the unemployment insurance claimant training appropriation by an estimated \$45,000 in 2013-14 and \$90,000 in 2014-15. The higher estimated cost for stipends, as compared to the amounts paid under the Act 123 pilot program, are based under the assumption that additional employers would enroll in the program if: (a) a trainee could participate in up to 40 hours per week, rather than only 24 hours per week; and (b) the claimant were not required to search for other employment while enrolled in special occupational training to maintain eligibility for UI benefits.

DWD also indicates that it would incur administrative costs for: (a) contracting with organizations to provide services to claimants; (b) administrative overhead and contract monitoring; and (c) program audit and evaluation costs. DWD estimates that total administrative costs would be \$315,500 in 2013-14 and \$631,000 in 2014-15. However, SB 332 does not provide administrative funding to DWD, and the Department has not identified another funding source to pay for these costs.

Prepared by: Sean Moran
Attachment



WISCONSIN STATE LEGISLATURE



Morouney, Lonna

From: Morouney, Lonna
Sent: Wednesday, October 16, 2013 4:46 PM
Subject: Amendment to AB 400
Attachments: Amendment AB 400.pdf

Workforce Development Committee members,

Please see the attached amendment to AB 400.

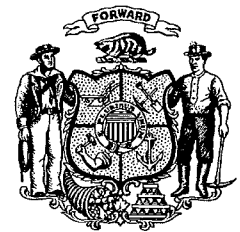
Lonna

Lonna Morouney
Committee Clerk for Assembly Committee on Workforce Development
Office of Representative Amy Loudenbeck
31st Assembly District

Office 209 North
PO Box 8952
Madison, WI 53708
608-266-9967 Toll free: (888) 529-0031
Lonna.morouney@legis.wi.gov



WISCONSIN STATE LEGISLATURE



Morouney, Lonna

From: Morouney, Lonna
Sent: Wednesday, October 16, 2013 9:45 AM
Subject: Draft Amendment to AB 400
Attachments: Draft Amendment to 2013 AB 400.doc

Workforce Development Committee members,

Please see the attached amendment language for AB 400 that will be introduced by Rep. Loudenbeck.

I will send committee members the amendment as soon as it is available.

Sincerely,

Lonna

Lonna Morouney
Committee Clerk for Assembly Committee on Workforce Development
Office of Representative Amy Loudenbeck
31st Assembly District

Office 209 North
PO Box 8952
Madison, WI 53708
608-266-9967 Toll free: (888) 529-0031
Lonna.morouney@legis.wi.gov

HIB 10/14/13

Draft Amendment to AB 400

At the locations indicated, amend the bill as follows:

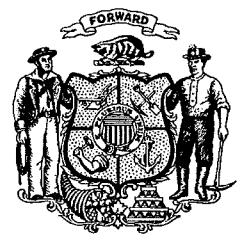
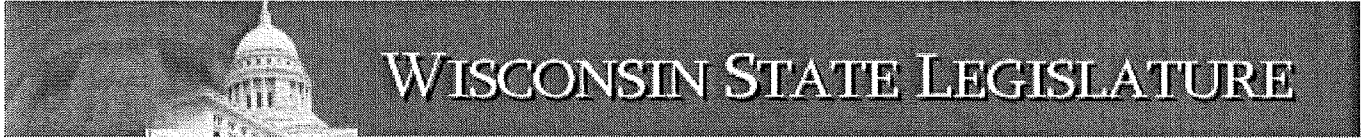
1. Page 9, line 1: delete "of \$75 per week".
2. Page 9, line 4: after "declination.", insert:

"The stipend shall be no less than \$50 per week and no more than \$100 per week, based upon a graduated schedule which provides a higher rate for a participant who begins participation in the program earlier in the participant's unemployment insurance eligibility period."

3. Page 9, line 18: insert the following:

"Section 21(1m) No later than January 1, 2015, the department of workforce development shall submit a report to the co-chairs of the joint finance committee which shall describe the initial implementation of the pilot program and the department's initial experience and results in implementing the program."

(End)



Morouney, Lonna

From: Ozalp, Jessica
Sent: Wednesday, October 16, 2013 2:43 PM
To: Morouney, Lonna
Subject: AB 400

Hi Lonna,

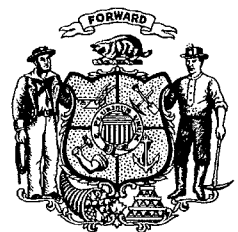
I was reading through the bill and noticed something in the treatment of 108.02(12)(dp). It is not added to the cross-reference list in (12)(a) as are the other exceptions to the definition of "employee." I talked with LRB about it and they said it's probably best to add the cross-reference for consistency, via a small technical amendment. Please let me or Mike Duchek know if you want that drafted.

Thanks,
Jessica

Jessica E. Ozalp
Staff Attorney
Wisconsin Legislative Council
Jessica.Ozalp@legis.wisconsin.gov
(608) 266-2982



WISCONSIN STATE LEGISLATURE



Department of Workforce Development
Unemployment Insurance Division
Unemployment Insurance Advisory Council
201 East Washington Ave., Room E300
Madison, WI 53708-8942
Telephone: (608) 266-3189
Fax: (608) 266-8221

STATE OF WISCONSIN



Department of Workforce Development

Scott Walker, Governor
Reginald J. Newson, Secretary
Robert A. Rodriguez, Division Administrator

October 22, 2013

The Honorable Mary Lazich
Room 8 South, State Capitol
Madison, WI 53708
HAND DELIVERED

The Honorable Amy Loudenberg
Room 209 North, State Capitol
Madison, WI 53708
HAND DELIVERED

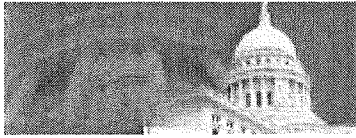
Dear Senator Lazich and Representative Loudenberg:

On behalf of the Unemployment Insurance Advisory Council (Council), thank you for seeking the Council's consideration and support on Senate Bill 332 and Assembly Bill 400 relating to participation in certain training by unemployment insurance claimants, granting rule-making authority and making an appropriation to re-establish the Wisconsin Workers Win (W3) program.

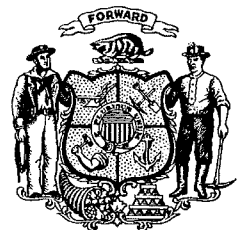
After careful consideration, the Council has no objection to you moving forward with these bills, including the amendment to Assembly Bill 400. If I can be of any further assistance, please contact me at (608) 266-1639.

Sincerely,

Janell Knutson, Chair
Unemployment Insurance Advisory Council



WISCONSIN STATE LEGISLATURE



I. CALL TO ORDER AND ROLL CALL

- A. This executive session of the Workforce Development Committee is called to order.
 1. *Strike the gavel.*
 2. The clerk will call the roll.
 3. We have **three items of business** today: Assembly Bills 400, 402, and 403, all of which we heard testimony on last week.

II. ASSEMBLY BILL 400

A. SUMMARY

1. Would **Legislative Council summarize** AB 400.

B. AMENDMENT

1. We will **now take up** Amendment Number 1.
2. Would **Legislative Council explain** this Amendment.
3. Is there any **discussion**.
4. I will entertain a **motion and second** for recommending **adoption** of Amendment 1.
5. The clerk will **call the roll**; the vote is whether to recommend adoption of this Amendment.
6. *Announce results:* The committee **recommends / rejects adoption** of Amendment 1 by a vote of ___ Ayes and ___ Noes.

C. VOTE ON THE BILL

1. I will entertain a **motion and second** to recommend **passage of Assembly Bill 400 (as amended)**.
2. Is there any **discussion** on the proposal.
3. *When debate is complete:* The clerk will **call the roll**; the vote is whether to recommend passage of this bill (*as amended*).
4. *Announce results:* The committee **recommends passage** of AB 400 (*as amended*) by a vote of ___ Ayes and ___ Noes.

III. ASSEMBLY BILL 402

A. SUMMARY

1. Would **Legislative Council summarize** AB 402.

B. VOTE ON THE BILL

1. I will entertain a **motion and second** to recommend **passage of Assembly Bill 402**.
2. Is there any **discussion** on the proposal.
3. *When debate is complete:* The clerk will **call the roll**; the vote is whether to recommend passage of this bill.
4. *Announce results:* The committee **recommends passage** of AB 402 by a vote of ___ Ayes and ___ Noes.

IV. ASSEMBLY BILL 403

A. SUMMARY

1. Would **Legislative Council summarize** AB 403.

B. AMENDMENT 1

1. We will **now take up** Amendment Number 1.
2. Would **Legislative Council explain** this Amendment.
3. Is there any **discussion**.
4. I will entertain a **motion and second** for recommending **adoption** of Amendment 1.
5. The clerk will **call the roll**; the vote is whether to recommend adoption of Amendment 1.
6. *Announce results:* The committee **recommends / rejects adoption** of Amendment 1 by a vote of ___ Ayes and ___ Noes.

C. AMENDMENT 1 to AMENDMENT 1 to AB 403

1. We will **now take up** the Amendment to the Amendment.
2. Would **Legislative Council explain** this Amendment.
3. Is there any **discussion**.
4. I will entertain a **motion and second** for recommending **adoption** of Amendment 1 to Amendment 1.
5. The clerk will **call the roll**; the vote is whether to recommend adoption of Amendment 1 to Amendment 1.
6. *Announce results:* The committee **recommends / rejects adoption** of Amendment 1 to Amendment 1 by a vote of ___ Ayes and ___ Noes.

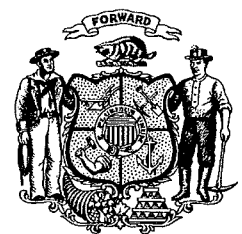
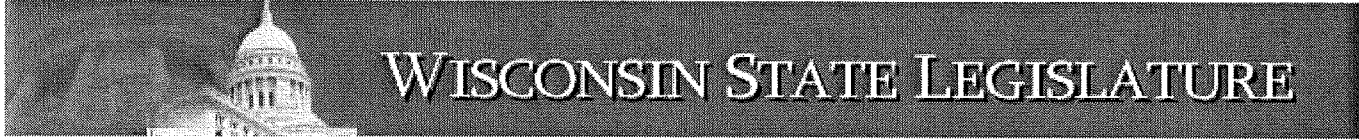
D. VOTE ON THE BILL

1. I will entertain a **motion and second** to recommend **passage of Assembly Bill 403** (*as amended*).
2. Is there any **discussion** on the proposal.
3. *When debate is complete:* The clerk will **call the roll**; the vote is whether to recommend passage of this bill (*as amended*).
4. *Announce results:* The committee **recommends passage** of AB 403 (*as amended*) by a vote of ___ Ayes and ___ Noes.

V. ADJOURNMENT

A. With our business completed, this meeting is **adjourned**.

1. *Strike the gavel.*
2. Under Assembly Rule 11 (5) (a), the vote must be held open after adjournment of the committee session to allow an absent member to vote until 5:00 p.m. on the day on which the committee is adjourned or 30 minutes after adjournment, whichever is earlier. The absent member must cast his or her vote in the committee room where the meeting is held.



AB 400 (SB 332)

Background

Continues the Wisconsin Workers Win special occupational training pilot program, also known as W3, from 2011-12 legislative session, but with improvements based on recommendations from participants and employers

12:20 PM

Program goals

Connect new unemployment claimants with employers who have job openings

Provide on-the-job training for individuals who are currently unemployed so they have an opportunity to develop new skills or demonstrate existing skills to employers who will ultimately hire them

The bill

Creates a 2 year pilot program of special occupational training for unemployment insurance claimants

Allows UI claimants to voluntarily participate in training with an employer without losing their unemployment benefits

Open to UI claimants who are in the first 20 weeks of regular benefits

Matches individuals with participating employers for up to six weeks of training

In addition to continuing to receive UI benefits, individuals receive a weekly stipend to offset additional costs incurred while in training (\$75/week under bill but was amended to incentivize earlier participation)

Program is limited to 3 areas served by local workforce development boards with high unemployment:

Milwaukee Area Workforce Investment Board, Southeast Wisconsin Workforce Development Area, and Southwest Wisconsin Development Area

Improvements from original pilot program:

1. UI claimant is exempt from work search requirement under UI law
2. UI claimant is not required to accept other suitable work under the UI law if there is reasonable expectation that the claimant will receive a job offer from the employer providing the training
3. Maximum allowable number of hours of training per week increased to 40 (original pilot limited to 20 to 24 hours per week)

Assembly Amendment 1:

1. Requires Department of Workforce Development to create a stipend schedule providing for larger claimant training stipends up to \$100 per week for placements earlier in the benefit year, with stipends no less than \$50 per week for placements later in the benefit year
2. Requires Department of Workforce Development to submit a report to the Joint Committee on Finance by January 2015 regarding implementation and initial results (in addition to the bill requirement of a report to the legislature and governor after 22 months)

Work Comp (TU)

*Josie's
notes*

Summary of AB 400

This bill continues a 2 year pilot program of special occupational training that an unemployment insurance claimant can enroll in without losing benefits. A similar pilot program that recently expired was referred to as the W3 program, created by 2011 Wisconsin Act 123.

The program will be offered in the same three areas that were designated under 2011 Wisconsin Act 123 when this program was created: The Milwaukee Area Workforce Investment Bd, the SE WI Workforce Development Area, and the SW WI Development Area.

Trainees may not be employees of the employer offering the training, and placements are limited to six weeks and 40 hours a week.

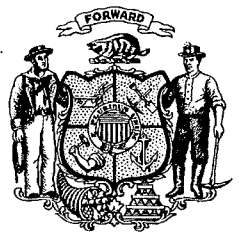
Trainees in this program need not fulfill the regular work search and suitable work requirements, while training, to keep their UI benefits.

Under the bill, a UI claimant who participates in special occupational training receives a stipend of \$75 from DWD for each week of training, and is covered by the worker's compensation insurance of the employer providing the training.

The provisions of the bill sunset in two years. The previous program was in place for approximately 1 year.

Summary of Amendment to AB 400

1. The amendment requires that DWD create a stipend schedule providing for larger claimant training stipends up to \$100 per week for placements earlier in a benefit year, and smaller stipends of no less than \$50 per week for placements later in a benefit year. This replaces the set stipend amount of \$75 in the bill.
2. The amendment requires the DWD to report to the Joint Committee on Finance regarding implementation and initial results by January 1, 2015. This amendment does not alter the existing requirement in the bill for a report to the legislature and the governor after 22 months.
3. The amendment makes a technical cleanup by adding a cross reference to refer to one of the new provisions.



(e) The department shall charge to the fund's balancing account the cost of benefits paid to an individual that are otherwise chargeable to the account of an employer that is subject to the contribution requirements of ss. 108.17 and 108.18 if the individual receives benefits based on the application of par. (am), (b), or (d).

(f) As a condition to qualification of a course as approved training for an individual under this subsection, the department may require a certification from the training institution showing the individual's attendance and progress in the course.

(16m) SPECIAL OCCUPATIONAL TRAINING. (a) In this subsection, "special occupational training" means training other than approved training that is offered directly by an employer to a claimant who is not employed by the employer.

(b) The department shall administer a pilot program to offer special occupational training for claimants who wish to participate in areas of this state designated by the department served by 3 local workforce development boards under 29 USC 2832. The department shall offer the program within the entire area served by each designated local workforce development board.

(c) The department shall accept applications from employers to offer special occupational training to claimants and shall offer claimants the opportunity to receive placements to receive the training. On the application, an employer shall affirm that it has one job opening, as of the date of the application, for each training participant that it seeks in a position that a successful participant would potentially qualify to fill. If the department finds that an employer providing placements under this subsection has not hired a reasonable percentage of qualified trainees, the department may decline to accept further applications for placements from that employer.

(d) The department shall place claimants who apply to receive special occupational training with employers who offer placements. The department may only place a claimant to receive special occupational training during a claimant's benefit year.

(e) Each placement shall be for a period not exceeding 6 weeks. A claimant may participate in special occupational training for not less than 20 nor more than 24 hours per week during a placement. No claimant may receive more than 2 placements during his or her benefit year. No claimant may receive a placement for any period that includes a week beginning after the end of the first 26 weeks of the claimant's benefit year.

(f) A claimant who participates in special occupational training is not disqualified from receiving benefits solely on account of receiving the training. The department may suspend a claimant's obligation to be available for work during those hours in which the claimant participates in special occupational training but the claimant shall maintain his or her availability for work during other hours of the work week. Except as authorized in s. 108.04 (8) (dm) and this subsection, a claimant shall maintain his or her eligibility for benefits during the placement and shall terminate a placement if necessary to accept any work that the claimant is required to accept in order to maintain continuous eligibility for benefits.

(g) The department shall pay a stipend of \$75 per week to each claimant who participates in special occupational training unless the claimant declines the stipend for the entire period of a placement by notifying the department in writing of the declination. The department shall make the payments from the appropriation under s. 20.445 (1) (fw).

(i) The department shall issue a training certificate to each claimant upon successful completion of each special occupational training placement. The certificate shall describe the skills in which the claimant received training.

(j) The department may promulgate rules required to implement this section.

NOTE: Sub. (16m) is repealed eff. 7-1-13 by 2011 Wis. Act 123.

(17) EDUCATIONAL EMPLOYEES. (a) A school year employee of an educational institution who performs services in an instructional, research or principal administrative capacity is ineligible

for benefits based on such services for any week of unemployment which occurs:

1. During the period between 2 successive academic years or terms, if the school year employee performed such services for any educational institution in the first such year or term and if there is reasonable assurance that he or she will perform such services for any educational institution in the 2nd such year or term; or

2. During the period between 2 regular but not successive academic terms, when an agreement between an employer and a school year employee provides for such a period, if the school year employee performed such services for any educational institution in the first such term and if there is reasonable assurance that he or she will perform such services for any educational institution in the 2nd such term.

(b) A school year employee of a government unit, Indian tribe, or nonprofit organization which provides services to or on behalf of an educational institution who performs services in an instructional, research, or principal administrative capacity is ineligible for benefits based on such services for any week of unemployment which occurs:

1. During the period between 2 successive academic years or terms, if the school year employee performed such services for any such government unit, Indian tribe, or nonprofit organization in the first such year or term and if there is reasonable assurance that he or she will perform such services for any such government unit, Indian tribe, or nonprofit organization in the 2nd such year or term; or

2. During the period between 2 regular but not successive academic terms, when an agreement between an employer and a school year employee provides for such a period, if the school year employee performed such services for any such government unit, Indian tribe, or nonprofit organization in the first such term and if there is reasonable assurance that he or she will perform such services for any such government unit, Indian tribe, or nonprofit organization in the 2nd such term.

(c) A school year employee of an educational service agency who performs services in an instructional, research or principal administrative capacity, and who provides such services in an educational institution or to or on behalf of an educational institution, is ineligible for benefits based on such services for any week of unemployment which occurs:

1. During the period between 2 successive academic years or terms, if the school year employee performed such services for any educational service agency in the first such year or term and if there is reasonable assurance that he or she will perform such services for any educational service agency in the 2nd such year or term; or

2. During the period between 2 regular but not successive academic terms, when an agreement between an employer and a school year employee provides for such a period, if the school year employee performed such services for any educational service agency in the first such term and if there is reasonable assurance that he or she will perform such services for any educational service agency in the 2nd such term.

(d) A school year employee of an educational institution who performs services other than in an instructional, research or principal administrative capacity is ineligible for benefits based on such services for any week of unemployment which occurs during a period between 2 successive academic years or terms if the school year employee performed such services for any educational institution in the first such year or term and there is reasonable assurance that he or she will perform such services for any educational institution in the 2nd such year or term.

(e) A school year employee of a government unit, Indian tribe, or nonprofit organization which provides services to or on behalf of an educational institution who performs services other than in an instructional, research or principal administrative capacity is ineligible for benefits based on such services for any week of unemployment which occurs during a period between 2 successive



WISCONSIN STATE LEGISLATURE



November 5, 2013

2013-14 Issue & Bill

Workforce Development

AB 400 - Special Occupational Training

Rep. Loudenbeck/Sen. Lazich

Summary of Assembly Bill 400 (AB 400):

Assembly Bill 400 (Senate Bill 332) creates a 2 year pilot program of special occupational training that an unemployment insurance claimant can enroll in without losing benefits. A similar pilot program that recently expired was referred to as the W3 program, created by 2011 Wisconsin Act 123. The current bill recreates the pilot program to serve a similar participant pool with 3 major differences: 1.) A Unemployment Insurance (UI) claimant is exempt from the requirement under the UI law to search for work for each week the claimant receives at least 20 hours of occupational training under the program; 2.) A UI claimant is not required to accept other suitable work under the UI law if there is a reasonable expectation that the claimant will receive a job offer from the employer providing the training; and 3.) The maximum allowable number of hours of training per week has been increased to 40.

The program will be offered in the same three areas that were designated under the 2011 Wisconsin Act 123 when this program was created: The Milwaukee Area Workforce Investment Board, the Southeast Wisconsin Workforce Development Area, and the Southwest Wisconsin Development Area.

Under the bill, participants may not be employees of the employer offering the training and placements are limited to six weeks and 40 hours per week.

Participants receive a stipend of \$75 from DWD for each week of training, and are covered by the worker's compensation insurance of the employer providing the training.

Assembly Amendment 1 (AA 1) requires that DWD create a stipend schedule providing for larger claimant training stipends up to \$100 per week for placements earlier in a benefit year, and small stipends of no less than \$50 per week for placements later in a benefit year. This replaces the set stipend amount of \$75 in the bill. AA1 also requires that DWD report to the Joint Committee on Finance regarding implementation and initial results by January 1, 2015. AA1 does not alter the existing requirement in the bill for a report to the legislature and the governor after 22 months. AA1 makes a technical cleanup by adding a cross reference to refer to one of the new provisions. **[AA 1 to AB 400 adopted 15-0]**

Fiscal Effect:

AB 400 does not allocate any new funds to DWD to administer the program. The bill allocates from GPR a sum sufficient to pay the training stipends.

According to DWD, administrative costs are estimated to be \$315,500 in Year 1 and \$631,000 in Year 2. Stipend costs are projected to be \$45,000 in Year 1 and \$90,000 in Year 2.

Because the program is scheduled to sunset two years after publication date of the bill, there are no long-range fiscal implications.

DWD has indicated they are trying to lower the fiscal estimate. DWD request

to obtain additional funds for administrative

Supporters Message:

AB 400 incorporates recommendations from both participants and employers who participated in the original W3 pilot program (2011 Wisconsin Act 123) in order to make it a more impactful tool for unemployed workers to gain on the job training in new careers.

The program has been improved to increase participation and allow greater flexibility in training prospective workers. Employers will have the opportunity to evaluate job candidates in the context of a traditional work week and include them in existing full-time training programs. Additionally allowing participants to be waived from work search requirements assures a business that the participant will be available for a full-time job at their facility at the end of training.

The increased stipend in the amendment provides an added incentive for participants to sign up for the program earlier in the benefit year, presumably resulting in a reduction of the number of weeks of UI claims paid by the state. The requirement in the amendment that DWD submits an initial progress report to the Joint Committee on Finance provides another layer of accountability to the program.

Opponents Message:

➤ None

Key Supporters:

Representative Amy Loudenberg (author); Senator Mary Lazich (author); DWD, Unemployment Insurance Advisory Council; Wisconsin Technical College District Boards Association; Wisconsin AFL-CIO; Wisconsin Manufacturers and Commerce; Wisconsin Independent Businesses Inc.

Key Opponents:

No one testified or registered against AB 400, and no one registered against it with the Ethics Board.

Committee Vote:

On October 17, 2013, the Assembly Committee on Workforce Development voted to recommend passage of AB 400, as amended, on a vote of 15-0.

On October 11, 2013, the Senate Committee on Economic Development and Local Government voted to recommend passage of SB 332 on a vote of 5-0.

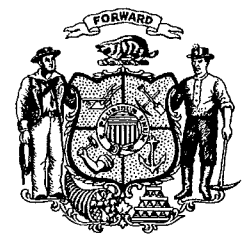
On October 15, 2013, the Joint Committee on Finance voted to recommend passage of SB 332 on a vote of 16-0.

Staff Author of Bill Summary

Lonna Morouney; Office of Rep. Amy Loudenberg (6-9967)



WISCONSIN STATE LEGISLATURE



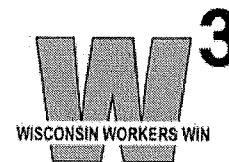


Wisconsin Workers Win / W³

Innovative Training Program matches claimants and employers

Wisconsin Workers Win is a training program that has been created by 2011 Act 123. The Department of Workforce Development will match current unemployment insurance claimants who volunteer to participate with companies that have current job openings that program participants could fill. This real-world job training experience will prepare claimants to return to the workplace and gain skills while training with an employer.

Claimants continue to receive unemployment insurance benefits while training with an employer and are not considered employees of the employer. At the end of the training placement, employers can choose to hire the training participant as an employee.



Below are frequently asked questions for **3 audiences**: General FAQ | Employer FAQ | Job Seeker FAQ

Testimonials

"...we were both pleased and surprised at how quickly [they] replied to our call. We saw a resume we liked, contacted the Workforce Development Center, and were able to get someone in here by Tuesday of the following week. The process was fast and efficient and they accommodated our needs." - **Vobeda Machine & Tool Company**

"I think the merits of the program are sound...For me personally, receiving the letter informing me of the program provided me confidence that there are resources out there designed to get people working...Participation in the program for me was positive from the prospective that you still have some sense of normalcy including the feeling you are accomplishing something positive towards finding a job...Overall, I felt the program was a positive for me. I was able to land a position due to my participation in the program." - **Former W3 program participant**

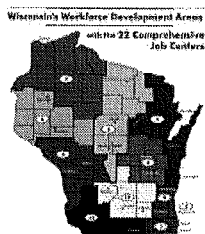
General FAQ:

What is Wisconsin Workers Win?

Wisconsin Workers Win is an innovative, voluntary training opportunity for recipients of unemployment insurance benefits. While a claimant is in training they will be placed at an employer for up to six weeks and can receive an additional \$75 weekly stipend to offset additional costs incurred while training.

This program builds on the successful "Georgia Works" program begun in 2003.

Are there limits based on geography to participate?



This program is currently open to Unemployment Insurance claimants in the first 20 weeks of receiving regular unemployment benefits living in Milwaukee, Racine, Kenosha, Walworth, Rock, Green, Lafayette, Iowa, Grant, and Richland counties and who began receiving benefits on or after April 1st, 2012. If you do not fit these criteria, please visit your local Job Center to meet with an employment specialist and to learn about programs and services available to help you.

Employers wishing to participate must have a worksite within Wisconsin that is reasonably close to residents in at least one of three workforce development areas to be eligible. Please note employers from *any* sector such as manufacturing, health care and professional/business services, can apply for consideration.

How is the program being administered?

DWD has chosen three regional service provider to administer the program, taking applications from employers and potential training participants. DWD will continue to provide oversight of the program ensuring that all statutory requirements are being fulfilled. Contact information for the service providers can be found at the bottom of this page.

Employer FAQ:

Who's eligible? Employers must have:

- a worksite in Wisconsin where training participants will receive training
- one job opening as of the date of the application for each training participant that it seeks in a position that a successful participant would potentially qualify to fill
- must carry worker's compensation coverage for each training participant

What's the advantage to a business to participate?

Employers have the opportunity to provide pre-vocational training to motivated training participants and may consider the participant for an available job opening. Training participants receive unemployment insurance benefits and a weekly

stipend to offset the costs of training. At the end of the placement, the employer has the opportunity to hire the training participant as an employee of the company.

What's the cost to a business?

Businesses are required to carry worker's compensation insurance coverage for each training participant.

Employers do not pay wages or provide benefits to training participants during their placement.

What if I don't hire the person at the end of the training period?

There is no requirement that a training participant be hired at the end of a placement. However, if DWD finds that a business has not hired a "reasonable percentage" of training participants, further applications from the business may be declined.

Do employers get to select participating claimants to train?

DWD will match claimants with participating employers based on the work history and skills of the claimant.

How do I apply for a training placement?

You may contact any of the service providers at the bottom of the page to apply for a training placement with a W3 participant in the areas listed.

Jobseeker FAQ:

Who's eligible? Potential training participants must:

- be in the first twenty weeks of regular unemployment benefit eligibility
- must have begun receiving benefits after April 1, 2012
- claimants must also reside in one of three workforce development areas where this program will be piloted

What's the advantage to a claimant to participate?

Claimants benefit by having an opportunity to work part-time (20 – 24 hours per week) for up to 6 weeks with a business that has a job opening the claimant could potentially fill at the end of a training placement. Claimants maintain an attachment to the workplace and are given the opportunity to add skills while training.

How are Training participants compensated? Is there a stipend?

Training participants accepted into this program will continue to receive their regular unemployment insurance benefits and may receive an additional \$75 weekly stipend.

Why are the criteria limited to claimants in the first 20 weeks of UI?

There is a statutory requirement that "no claimant may receive a placement for any period that includes a week beginning after the end of the first 26 weeks of the claimant's benefit year."

In the News

Jobless can get a new start: Wisconsin Workers Win program links workers, potential employers

(10/01/2012) The Journal Times.com: RACINE — Last spring Heather Vanderford, a Kenosha biology teacher, learned that starting in June she would be out of a job.

She was part of a mass layoff at Kenosha Unified and the 27-year-old didn't know what she was going to do.

"I was freaking out," said Vanderford, who lives in Racine and had taught at Kenosha Unified for five years. "I didn't know what to try next." *read more.*

3 agencies to handle new southern Wisconsin jobless program: Wisconsin Workers Win to match unemployed, employers

(5/22/2012) JSOnline: Three agencies have been selected to run a state pilot program to help those in southern Wisconsin on unemployment compensation get job training and possibly a job, state Department of Workforce Development Secretary Reggie Newson announced Tuesday.

The program is called Wisconsin Workers Win, or W-3, and will start at the end of June. It's not connected to the state's Wisconsin Works program, or W-2, which operates throughout the state. *read more.*

Where can I find more information?

This program is currently open to Unemployment Insurance claimants in the first 20 weeks of receiving regular unemployment benefits living in Milwaukee, Racine, Kenosha, Walworth, Rock, Green, Lafayette, Iowa, Grant, and Richland counties and who began receiving benefits on or after April

1st, 2012. If you do not fit these criteria, please visit your local Job Center to meet with an employment specialist and to learn about programs and services available to help you.

Service Providers:

If you live in **Milwaukee County**, please contact:

UMOS
2701 S. Chase Ave.
Milwaukee, WI 53207
1-800-279-8667

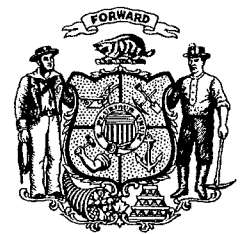
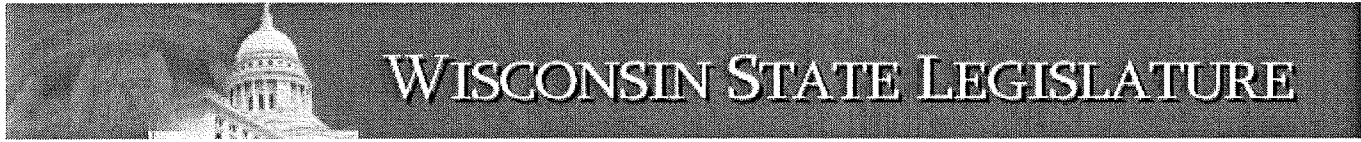
If you live in **Racine, Kenosha, or Walworth Counties**, please contact:

Racine County Human Services
1717 Taylor Ave.
Racine, WI 53403
(262) 619-5627 (option 8)

If you live in **Rock, Green, Lafayette, Iowa, Grant or Richland Counties**, please contact:

Community Action, Inc.
200 W. Milwaukee St.
Janesville, WI 53548
(608) 313-1300

EMPLOYERS - you may contact any of the above service providers to apply for a training placement with a W3 participant in the areas listed.





WISCONSIN'S PROGRAM YEAR 2012-13

WORKFORCE INVESTMENT ACT

WAGNER-PEYSER ACT

AGRICULTURAL OUTREACH PLAN

Examples of Wisconsin's ability to leverage and maximize resources:

DVR and JCW

DVR has committed approximately \$100,000 of their program resources to support JCW enhancements. Enhancements include:

- Résumé Upload – Allows job seekers to upload their own resumes instead of, or in addition to, using the resume builder in JCW
- Display Full Résumé – Makes resumes with job seeker contact information and name viewable by employers (still giving job seekers the option not to show personal information)
- Skills Matching – Enhances skills matching to add skills inventory to job seeker side and improve matching logic between employer job orders and job seeker skills
- Counselor Role – Adds the ability for career counselors, VR counselors, and some DWD staff to log on as a counselor to assist employers and job seekers with job searches, posting jobs, etc.

Wisconsin Workers Win (W3)

The W3 program is funded by WIA set-aside resources for program service delivery and General Purpose Revenue (GPR) for weekly stipends. This pilot program, signed into law by Governor Walker will serve 500 eligible UI claimants in three regions of the state from June 1, 2012 – May 31, 2013. Participants may volunteer to participate in up to six weeks of on the job occupational skills training with an employer who has a full time job opening. In addition to their UI benefits, the trainee will receive a weekly stipend of \$75 to offset expenses such as transportation, work apparel, etc. The employer training site agrees to provide an occupational skills training plan, trainee supervision and worker's compensation coverage for UI trainees in their worksite. Program graduates are expected to be hired by the employer training worksite.

<http://dwd.wisconsin.gov/wiworkerswin/default.htm>

Joyce Foundation and Accelerating Opportunity Grant Funding

DWD in partnership with WTCS has received three grant awards from the Joyce Foundation supporting efforts to reduce poverty and ensure individuals and families have access to educational opportunities so they can obtain higher-wage, higher-skilled jobs. With the latest grant, DWD and its partners intend to support 115 total career pathway programs and help 2,700 individuals earn a credential with at least 12 college credits. The project also will take steps to better measure results. In addition, WTCS received an Accelerating Opportunity Planning Grant. \$22,000 of those grant resources have been combined with Joyce Foundation funding to support strategies for local collaboration among employment and training stakeholders. That collaboration is intended to result in Career Pathway and Bridge program enrollments across employment and training programs beginning in the fall of 2012.

Policy Alignment

As part of the overarching workforce priorities, the Governor is focusing on aligning the K-12 school system curricula with the education and training needed for successful job placements.

The Governor will also have his cabinet strategize to coordinate and augment the common activities related to the workforce goals to ensure alignment of policies and funding.

For example, as discussed above, Governor Walker signed "Wisconsin Workers Win" (W3) Assembly Bill 450, into law March 12, 2012. W3 allows eligible UI claimants to continue receiving unemployment benefits as they gain skills on-the-job at DWD-approved businesses. The W3 program is a collaborative effort between the DET and UI. To support the program, UI does not count the weekly stipend as income. W3 participants can be co-enrolled in WIA, W2, TANF/W-2 or Work Opportunity Tax Credit programs.