



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2009 Assembly Bill 898**

**Assembly Amendment 1**

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### **CURRENT LAW**

Under W-2, there are several work programs that may be available to W-2 participants. These include trial jobs, community service jobs, and transitional placements.

### **Trial Jobs**

Under current law, a W-2 agency must administer a trial jobs program to improve the employability of individuals who are not otherwise able to obtain unsubsidized employment by providing work experience and training to assist them to move promptly into unsubsidized employment.

The W-2 agency must pay a wage subsidy to an employer that employs a participant in a trial job and agrees to make a good faith effort to retain the participant as a permanent unsubsidized employee after the wage subsidy is terminated. The wage subsidy may not exceed \$300 per month for full-time employment of a participant. For less than full-time employment of a participant during a month, the wage subsidy may not exceed the dollar amount determined by multiplying \$300 by a fraction, the numerator of which is the number of hours worked by the participant in the month and the denominator of which is the number of hours which would be required for full-time employment in that month. [s. 49.145 (3) (a), Stats.]

Under current law, a trial job includes education and training activities, as prescribed by the employer as an integral part of work performed in the trial job employment. [s. 49.145 (3) (am), Stats.]

### **Transitional Jobs Demonstration Project**

2009 Wisconsin Act 28, the Biennial Budget Act, created the transitional jobs demonstration project. Beginning on January 1, 2010, the Department of Children and Families (DCF) is required to

conduct a demonstration project that offers transitional jobs to low-income adults. A person must satisfy all of the following criteria to be eligible to participate in the demonstration project:

- Be at least 21, but not more than 64 years of age.
- Be ineligible for W-2.
- Have an annual household income that is below 150% of the poverty line.
- Be unemployed for at least four weeks.
- Be ineligible to receive unemployment insurance benefits.

DCF is required to provide up to 2,500 transitional jobs under the demonstration project. The jobs must be allocated among Milwaukee County, Dane County, Racine County, Kenosha County, Rock County, Brown County, and other regions of the state, as determined by DCF, in the same proportion as the total number of W-2 participants is allocated among those counties and other regions as of June 30, 2009.

DCF is required to seek federal funds to pay for the cost of operating the demonstration project and may conduct the project only to the extent that DCF obtains federal funds. DCF is required to promulgate rules for the operation of the demonstration project. [s. 49.162, Stats.]

## **THE BILL**

### **Trial Jobs**

The bill makes the following changes to the trial jobs program under current law:

- Provides a wage subsidy that is equal to the amount of wages that the employer actually pays the participant, up to 40 hours per week at minimum wage.
- Provides that any employer that employs a participant for a minimum of 20 hours per week at a location in this state under the trial jobs program and agrees to make a good faith effort to retain the participant as a permanent unsubsidized employee after the subsidy is terminated is eligible for a wage subsidy.
- Limits a participant's participation in a trial job to a maximum of 1,040 hours, including education and training activities.

The bill requires DCF to submit a report to the Joint Committee on Finance that outlines DCF's progress in implementing the temporary expansion of the trial jobs program and that identifies the employers participating in the program within 30 days after the end of each calendar quarter.

### **Transitional Jobs Demonstration Project**

The bill makes the following changes to the transitional jobs demonstration project:

- Eliminates the cap of 2,500 on the number of jobs that must be provided under the demonstration project.
- Eliminates the specific counties and other regions in which the jobs must be allocated under the demonstration project.

The bill requires the demonstration project to include all of the following features and requirements:

- DCF must pay a wage subsidy to any employer that employs an individual under the demonstration project for a minimum of 20 hours per week at a location in this state. The wage subsidy shall equal the amount of wages that the employer actually pays the individual, up to 40 hours per week at minimum wage.
- An employer that employs an individual under the demonstration project must pay the individual for hours actually worked, up to 40 hours per week, at not less than minimum wage.
- An individual may participate in the demonstration project for a maximum of 1,040 hours actually worked.

Under the bill, the employment of an individual under the demonstration project may not do any of the following:

- Have the effect of filling a vacancy created by an employer terminating a regular employee or otherwise reducing its work force for the purpose of hiring an individual under the demonstration project.
- Fill a position when any other person is on layoff or strike from the same or a substantially equivalent job within the same organizational unit.
- Fill a position when any other person is engaged in a labor dispute regarding the same or a substantially equivalent job within the same organizational unit.\*

As for the trial jobs program, the bill requires DCF to submit a report to the Joint Committee on Finance regarding progress in implementing the demonstration project and employers participating within 30 days after the end of each calendar quarter. Under the bill, the report may be combined with the report on the trial jobs program.

### **Information About Employment Opportunities**

The bill requires a W-2 agency to collaborate with the local workforce development board to connect individuals seeking employment with employment opportunities, including the expanded trial

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\* These provisions are identical to the nonsupplant provisions of current law that apply to employment positions under the W-2 program. [See s. 49.141 (5), Stats.]

jobs program under the bill and, if operating in a geographical area in which the W-2 agency administers W-2, the transitional jobs demonstration project.

The bill also requires the Department of Workforce Development (DWD) to publicize and maintain information relating to the trial jobs program and the transitional jobs demonstration project on its job center website so that employers and individuals seeking employment may obtain information about the programs, including how to participate in them.

### **Funding and Evaluation**

The bill provides \$60,000,000 in each fiscal year of this biennium in federal funding from the Temporary Assistance to Needy Families (TANF) Emergency Fund under the American Recovery and Reinvestment Act of 2009 (ARRA) to increase funding for trial jobs and the transitional jobs demonstration project.

Under the bill, if DCF determines that federal moneys from the TANF Emergency Fund are no longer available to support an expansion of trial jobs and the transitional jobs demonstration project under the bill, DCF must publish a notice in the Wisconsin Administrative Register that states the date on which the federal moneys are depleted. On the date stated in such a notice, the changes to trial jobs and the transitional jobs demonstration project under the bill are repealed.

If any other federal funding becomes available for the trial jobs program and the demonstration project, DCF must take any actions that may be necessary to obtain the funding and use it for those programs.

### **ASSEMBLY AMENDMENT 1**

Assembly Amendment 1 deletes the appropriation from the bill. Under the amendment, DCF must determine whether the expansion of the trial jobs program and the transitional jobs demonstration project is a mechanism for obtaining some or all of available federal moneys from the TANF Emergency Fund. If DCF determines that expanding those programs is the preferred mechanism for obtaining that federal funding, DCF must publish a notice in the Wisconsin Administrative Register that states the date on which DCF made that determination. Under the amendment, the provisions of the bill expanding the trial jobs program and modifying the demonstration project take effect on the date stated in that notice.

If, after making the determination that expanding the programs is the preferred mechanism for obtaining the federal funding, DCF determines that federal moneys from the TANF Emergency Fund are no longer available to support the expansion of the trial jobs program and the transitional jobs demonstration project, DCF must publish a notice in the Wisconsin Administrative Register that states the date on which the federal moneys may no longer be obtained. As under the bill, on the date stated in such notice, the provisions of the bill expanding the trial jobs program and modifying the demonstration project are repealed on the date stated in such a notice.

The amendment also provides that the provision of the bill relating to W-2 agencies and DWD connecting individuals to employment opportunities and publicizing and maintaining information on the job center website are not repealed on the date stated in the notice that federal moneys from the TANF Emergency Fund are no longer available.

**LEGISLATIVE HISTORY**

The Joint Committee on Finance offered Assembly Amendment 1. On April 7, 2010, the Joint Committee on Finance recommended adoption of Assembly Amendment 1 on a vote of Ayes, 11; Noes, 4, and recommended passage of the bill, as amended, on a vote of Ayes, 13; Noes, 2.

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