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Scott Walker, Governor  
Reginald J. Newson, Secretary

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**Assembly Committee on Workforce Development  
Assembly Bill 400, W3**

**October 9<sup>th</sup>, 2013**

**Testimony provided by Jonathan Barry, Deputy Secretary**

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Chairperson Loudenbeck and members of the Assembly Committee on Workforce Development:

I am Jonathan Barry, Deputy Secretary of the Department of Workforce Development and I appear before you today to speak in favor of Assembly Bill 400.

As part of Governor Walker's fall workforce agenda, the new iteration of the W3 program is consistent with our mission to grow the economy, develop our workforce, transform education, reform our government and invest in our infrastructure. AB 400 includes direct feedback from both claimants who participated in the program as well as employer participants and we thank the legislature and the Governor for including these changes in the new version of W3.

On March 12, 2012, Governor Walker signed into law 2011 Act 123, putting in place the Wisconsin Workers Win (W3) pilot program. This voluntary training program, which garnered unanimous support from members of the Wisconsin State Legislature, allowed Unemployment Insurance (UI) claimants who were in their first 20 weeks of regular UI benefits to enroll and be matched with participating employers for up to six weeks of on-the-job training. In the first version of W3, the pilot program operated in three high-unemployment areas which helped 166 program participants gained employment through their association with the program at an average starting wage of over \$13 per hour. They spent, on average, nearly 2 weeks less than the state average collecting UI which in turn saved the UI Trust Fund over \$80,000 dollars over the life of the program.

The pilot program expired this year and the final report on the program made recommendations to make it a more impactful tool for unemployed workers to gain on the job training in new careers. Those recommendations are incorporated into the new bill to increase participation and allow greater flexibility in training prospective workers. By eliminating the 24 hour maximum work week and increasing this to 40 hours, employers will have the opportunity to evaluate

candidates in the context of a traditional full time 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 the training. These two changes were based on strong employer feedback about the program and we believe they will increase claimant participation and positive program outcomes.

In summary, by applying the lessons learned from the first version of the W3 program, the extension of the pilot program demonstrates Governor Walker's commitment to equip our workers with the skills they need to succeed. It also demonstrates the Governor's commitment to helping employers attract the skilled workers they need to meet demand. With these changes, the W3 program is sure to be a win for Wisconsin employers, a win for Wisconsin workers and a win for the state of Wisconsin. We are on the right track; we are moving Wisconsin forward.



# Mary Lazich

State Senator - Senate District 28

Assembly Committee on  
Workforce Development  
October 9, 2013  
Assembly Bill 400 and Senate Bill 332

Greetings committee members. Assembly Bill 400 (AB 400) and Senate Bill 332 (SB 332) continues the Wisconsin Workers Win (W3) pilot program created during March 2012.

The pilot program connected workers to employers with available jobs during the first 20 weeks of the worker's unemployment. Unemployed workers received training with a full time employment goal while maintaining unemployment benefits. Workers also received a \$75 per week stipend while participating in the program.

The W3 pilot program resulted in employment for 166 workers earning an average \$13.56 per hour. Participants spent an average of 1.8 fewer weeks on unemployment, saving the Unemployment Insurance (UI) fund \$82,468. All indications are the program is successful placing unemployed workers in jobs available for trained workers.

A July 3, 2013, report about the W3 program recommends modifications to the program. Lessons learned during the pilot program are employers concerned about spending time and money training persons actively looking for other employment, and employers found part time training ineffective.

AB 400 and SB 332 allows continuation of the pilot program for two years in three high unemployment geographic areas, and the bill provides remedies to impediments cited in the report. The bill provides people trained as part of the W3 program are exempt from work search requirements, and the amount of training time is increased to 40 hours per week rather than 20 hours per week.

I ask the committee to approve AB 400 and SB 332. Thank you for your attention to AB 400 and SB 332.