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(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)

Assembly

Record of Committee Proceedings

Committee on Workforce Development

Assembly Bill 15

Relating to: payment of unemployment insurance benefits under a work-sharing program.

By Representatives Brooks, Loudenbeck, Ballweg, Knodl, J. Ott, Petryk, Thiesfeldt, Severson and Endsley; cosponsored by Senators Farrow and Gudex.

February 15, 2013 Referred to Committee on Workforce Development

February 19, 2013 **Public Hearing Held**

Present: (15) Representative Loudenbeck; Representatives Petryk, Honadel, Pridemore, Knodl, Bernier, Kuglitsch, Born, Weatherston, Ringhand, Billings, Barnes, Kolste, Shankland and Wachs.
Absent: (0) None.
Excused: (1) Representative Severson.

Appearances For

- Ed Brooks - Representative
- Paul Farrow - Senator

Appearances Against

- None.

Appearances for Information Only

- Janell Knutson - Department of Workforce Development (UIAC)
- Connie Schulze - Department of Workforce Development

Registrations For

- None.

Registrations Against

- Julie Lassa - Senator

Registrations for Information Only

- None.

February 28, 2013 **Executive Session Held**

Present: (16) Representative Loudenbeck; Representatives Petryk, Honadel, Pridemore, Knodl, Bernier,

Kuglitsch, Severson, Born, Weatherston,
Ringhand, Billings, Barnes, Kolste, Shankland
and Wachs.

Absent: (0) None.

Excused: (0) None.

Moved by Representative Petryk, seconded by Representative Honadel that **Assembly Amendment 1** be recommended for adoption.

Ayes: (16) Representative Loudenbeck; Representatives Petryk, Honadel, Pridemore, Knodl, Bernier, Kuglitsch, Severson, Born, Weatherston, Ringhand, Billings, Barnes, Kolste, Shankland and Wachs.

Noes: (0) None.

ASSEMBLY AMENDMENT 1 ADOPTION RECOMMENDED,
Ayes 16, Noes 0

Moved by Representative Shankland, seconded by Representative Kolste that **Assembly Amendment 2** be recommended for adoption.

Ayes: (7) Representatives Weatherston, Ringhand, Billings, Barnes, Kolste, Shankland and Wachs.

Noes: (9) Representative Loudenbeck; Representatives Petryk, Honadel, Pridemore, Knodl, Bernier, Kuglitsch, Severson and Born.

ASSEMBLY AMENDMENT 2 ADOPTION NOT
RECOMMENDED, Ayes 7, Noes 9

Moved by Representative Kuglitsch, seconded by Representative Severson that **Assembly Bill 15** be recommended for passage as amended.

Ayes: (10) Representative Loudenbeck; Representatives Petryk, Honadel, Pridemore, Knodl, Bernier, Kuglitsch, Severson, Born and Weatherston.

Noes: (6) Representatives Ringhand, Billings, Barnes, Kolste, Shankland and Wachs.

PASSAGE AS AMENDED RECOMMENDED, Ayes 10, Noes 6

Lonna Morouney
Committee Clerk

AB 15

Vote Record Committee on Workforce Development

*dm
com
clerk*

Date: 2-28-13

Moved by: Yuglitsch

Seconded by: Severson

AB 15 SB _____ Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

A/S Amdt _____
 A/S Amdt _____ to A/S Amdt _____
 A/S Sub Amdt _____
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

dm

Be recommended for:
 Passage Adoption Confirmation Concurrence Indefinite Postponement
 Introduction Rejection Tabling Nonconcurrence

Committee Member	Aye	No	Absent	Not Voting
Representative Amy Loudenbeck, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Warren Petryk, Vice Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Mark Honadel	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Don Pridemore	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Daniel Knodl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Kathleen Bernier	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Mike Kuglitsch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Erik Severson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Mark Born	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Thomas Weatherston	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Janis Ringhand	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Jill Billings	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Mandela Barnes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Deb Kolste	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Katrina Shankland	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Dana Wachs	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10/6

Motion Carried Motion Failed

Totals: _____

Motion Carried

Motion Failed

AB 15 AA 1

✓ can conclude

Vote Record Committee on Workforce Development

Date: 2-28-13

Moved by: Rep Petryk

Seconded by: Rep Honadel

AB 15 AA 1 SB _____ Clearinghouse Rule _____

AJR _____ SJR _____ Appointment _____

AR _____ SR _____ Other _____

A/S Amdt AA 1

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

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A/S Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

- Be recommended for:
- Passage
 - Adoption
 - Confirmation
 - Concurrence
 - Indefinite Postponement
 - Introduction
 - Rejection
 - Tabling
 - Nonconcurrency

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Representative Amy Loudenbeck, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Warren Petryk, Vice Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Mark Honadel	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Don Pridemore	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Daniel Knodl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Kathleen Bernier	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Mike Kuglitsch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Erik Severson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Representative Jill Billings	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Mandela Barnes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Deb Kolste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Katrina Shankland	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Dana Wachs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

16

Motion Carried Motion Failed

Totals: 16 _____

Motion Carried

Motion Failed

AB15 AA2

Vote Record
Committee on Workforce Development

in conclave

Date: 2-28-13

Moved by: Shankland

Seconded by: Kolette

AB 15 AA2 SB _____ Clearinghouse Rule _____

AJR _____ SJR _____ Appointment _____

AR _____ SR _____ Other _____

A/S Amdt 2

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

- Passage
- Adoption
- Confirmation
- Concurrence
- Indefinite Postponement
- Introduction
- Rejection
- Tabling
- Nonconcurrence

Committee Member

Representative Amy Loudenbeck, Chair

Representative Warren Petryk, Vice Chair

Representative Mark Honadel

Representative Don Pridemore

Representative Daniel Knodl

Representative Kathleen Bernier

Representative Mike Kuglitsch

Representative Erik Severson

Representative Mark Born

Representative Thomas Weatherston

Representative Janis Ringhand

Representative Jill Billings

Representative Mandela Barnes

Representative Deb Kolste

Representative Katrina Shankland

Representative Dana Wachs

Aye No Absent Not Voting

<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
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7/9

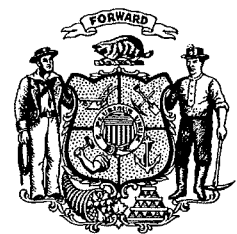
Motion Carried

Motion Failed

Totals: _____

Motion Carried

Motion Failed



Morouney, Lonna

From: Griffiths, Terri
Sent: Thursday, February 14, 2013 11:37 AM
To: Gustafson, Andrew
Subject: Co-Sponsor Memo - LRB 1596/1 SHORT DEADLINE

FROM: Representative Ed Brooks
Senator Paul Farrow

This legislation, LRB 1596/1, creates a voluntary work-share program in Wisconsin, to give job creators in the state yet another tool to keep their employees on the job. Currently in Wisconsin, if a business needs to lay-off workers, it can generally only cut positions entirely for their workers to be eligible to receive unemployment compensation benefits. This bill allows certain qualifying employers to reduce the hours of an employee instead of laying-off him/her entirely, while still retaining eligibility for unemployment insurance.

The Keep Wisconsin Working Act is a win-win for employers and workers:

- **Employers:** Allows a job creator to temporarily reduce its workforce to cope with sliding demand, while still retaining skilled workers.
- **Workers:** Lets workers stay on the job and continue contributing, while receiving temporary assistance to cope with a reduction in pay.

Additionally, according to the US Treasury, our state's debt to the federal UI Trust Fund currently stands at nearly \$900 million. Last year alone, Wisconsin businesses paid \$35.8 million in assessments to help pay-off this debt. Recent federal legislation covers the cost of work-share benefits administered through August 2015. According to recent DWD estimates, **implementing a work-share program in Wisconsin could save the UI Trust fund several million dollars, and the ongoing cost is negligible.**

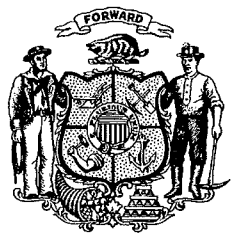
At a time when Wisconsin employers are essentially being taxed millions of dollars to pay-off the UI deficit to the federal government, we should do all we can to ensure the solvency of the state's UI Trust Fund. The federal dollars to cover the UI claims under work-share are in addition to up to \$2 million in federal grant dollars available to implement the program in Wisconsin.

This bill differs from previous work-share drafts in two important ways:

1. It delays the implementation date to June 30th (with one opportunity for a 6-month extension), to give the Department of Workforce Development more time to implement this program.
2. It removes the requirement that a work-share agreement get sign-off from a union representative. Federal law does NOT require this provision, and the bill already contains important protections for employees.

Currently 24 states, including neighboring Minnesota and Iowa, have a work-share program. To keep pace with our neighbors, we need to offer this tool to job creators.

To cosponsor LRB 1596/1, the Keep Wisconsin Working Act, please contact Rep. Brooks at 266-8531 or Senator Farrow at 266-9174 by





PAUL FARROW

STATE SENATOR

Testimony on SB 26/AB 15 – Wisconsin Work Share Program

Assembly Committee on Workforce Development

February 19, 2013

Good Afternoon. Thank you to Chairperson Loudeneck and the members of the Assembly Committee on Workforce Development for holding this hearing today.

Over the past two years, our Legislature has worked tirelessly to improve the economic condition of our state. We still have a long way to go to ensure that every Wisconsinite is able to have a family supporting job.

To that end, I come before you today to request your support for SB 26, which creates the Wisconsin Work Share Program. This program will enable employers and employees to better survive the natural business cycle.

The program will work by allowing businesses in the state, in cooperation with the Department of Workforce Development, to create a retention plan where instead of laying off an employee they can reduce their hours. This will help employers to reduce their workforce to cope with sliding demand, while still retaining skilled workers.

The program will help employees by allowing them to stay on the job and continue to contribute to our economic system, while providing them with temporary assistance to cope with the reduction in pay.

The funding for this program will operate within the existing Unemployment Insurance structure. Currently, a business has to layoff an employee in order to be eligible for UI. Under this program, they will retain the employee and be allowed to use the Unemployment Insurance to supplement the pay of an employee. This will save the State of Wisconsin money by both reducing the number and amount of Unemployment Insurance claims.

In addition, the federal government has set aside funds for this program. The on-going cost of the program would be negligible and it could potentially save Wisconsin's Unemployment Trust Fund millions of dollars.

I am happy to say that this plan is supported by both Conservative and Liberal groups as an effective way to manage the demands of the business cycle. Regardless, this remains a great way to help both employers and employees.

The bill differs between previous bills in two significant ways. First, it will delay the implementation to June 30th (with the opportunity for a 6-month extension) to give the Department of Workforce



PAUL FARROW

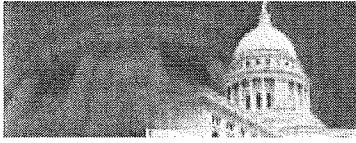
STATE SENATOR

Development the time to implement this program in the most effective and cost-efficient manner. Second, it removes the requirement that a work-share agreement get approval from a union representative. Federal law does not require this provision and the bill already contains important protections for employees.

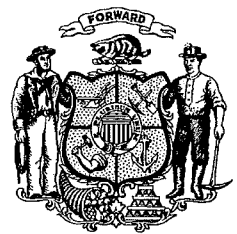
There are currently 24 states, including neighboring Michigan, Minnesota, and Iowa, that have a work-share program. This program has been proven to be an effective tool to keep people on the job.

Although this is not a permanent solution to the problems our state faces when it comes to unemployment insurance or job growth, it is a good first step. I am hopeful that this committee will continue to search for long-term solutions but in the meantime, this program will help keep our citizens working.

I again want to thank the Committee for their time and attention. I am happy to answer any questions that the committee may have.



WISCONSIN STATE LEGISLATURE



Madame Chair and Members,

Thank you for the opportunity to testify before you today in favor of Assembly Bill 15 – the Keep Wisconsin Working Act. Assembly Bill 15 is a win-win proposal for Wisconsin's businesses and workers.

Assembly Bill 15 creates a voluntary shared work opportunity for employers and serves as a temporary and practical alternative to lay-offs. Employees are paid through UI for a percentage of their work and they work the balance in their regular position with the business. The employer must have at least a 10% work reduction and cover 20 positions in order to participate in a work-share program as part of the federal requirement for participation.

The benefits:

Employers keep their skilled workforce and it affords employers the opportunity to:

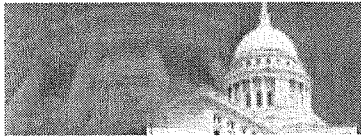
- Maintain continuity of skilled workforce
- Stay prepared for when the business upswing occurs because the workforce remains in place
- Avoid time and expense of training new employees
- Preserve workforce productivity by avoiding the insecurity and organizational disruption that are characteristic of lay-offs

Employees likewise benefit as they are able to:

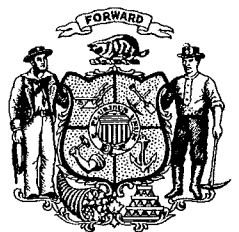
- Avoid full lay-off and unemployment
- Maintain employment continuity and skill set
- Preserve the workforce in preparation of the business upswing
- Avoid the disruption and insecurity characteristic of lay-offs

Assembly Bill 15 may help strengthen the Unemployment Insurance Trust Fund (UI). Wisconsin's businesses paid over \$35 million in assessments to help pay off nearly \$900 million debt we owe to the federal UI Trust Fund, according to the US Treasury.

Currently 24 states – including our neighbors Minnesota, Iowa, Michigan – have work-share programs in place. We believe this is a good step for us to take to help businesses struggling in our slow to recover economy. Work-share is one more tool for the business community to use to Keep Wisconsin Working.



WISCONSIN STATE LEGISLATURE



February 20, 2013

Dear Colleague:

I would like to provide you more information on Senate Bill (SB) 26, which would create a Work-Share program in Wisconsin. As you are aware, we discussed this proposal in our caucus on Wednesday. The program would provide valuable assistance to businesses that face a decline in demand and would prefer not to layoff their hardworking employees.

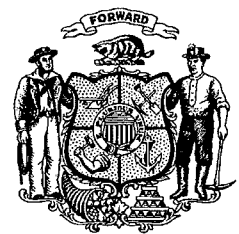
The following bullet points will help you address some of the basic questions you or your office may receive on this very basic and job saving bill:

- This act will **SAVE** jobs.
 - In 2009, it was estimated that work-share programs saved 166,000 jobs in 17 states.
- Enables the employers and employees to better survive the natural business cycle.
- Is a short term solution, eligible employers could use the program for up to six-months every 5 years.
- Funding for program will operate within existing unemployment insurance structure.
- A letter has been sent to the UI Advisory Council. To date no response has been made. We will **update** offices when that information is available.
- Federal Government has set aside funds for the program and the on-going costs of the program are negligible.
- Could potentially save Wisconsin's Unemployment Trust Fund millions of dollars.
- Change of effective date at DWD's request. They need 6,000 programming hours to implement the change.
- Federal law does **not** require union approval nor would the bill override existing federal or state law. The inclusion of language requiring union approval would be redundant and unnecessary.
- 24 other states have the program, including Michigan, Minnesota, and Iowa.
- A survey of businesses that participate in the work-share program in Washington state revealed the following:
 - 84.8% of the participants rated their participation in the program as very positive.
 - 67.8% answered in the affirmative when asked if it helped their business survive.
 - 85.7% rated the program extremely helpful in keeping their skilled workforce intact.

As this bill moves forward, my office will be happy to provide additional information on this proposed program. Thank you in advance for your thoughtful consideration.

Sincerely,

Paul Farrow
State Senator
33rd Senate District



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

February 27, 2013

Senator Julie Lassa
126 South—State Capitol Bldg
Madison, WI
HAND DELIVERED

Senator Paul Farrow
323 South—State Capitol Bldg
Madison, WI
HAND DELIVERED

Representative Ed Brooks
20 North—State Capitol Bldg
Madison, WI
HAND DELIVERED

Dear Sen. Lassa, Sen. Farrow, and Rep. Brooks:

The Unemployment Insurance Advisory Council (Council) thanks you for seeking the Council's input on the pending work sharing bills, also called short-time compensation. As you know, work sharing is a special Unemployment Insurance (UI) program that allows a business to reduce the hours of all employees during an economic downturn instead of a complete lay off of a small group of employees. The benefit of the program is two-fold. First, employees experiencing a reduction in hours are made whole by the work sharing program and second, employers stay connected to their trained workers so they may ramp up quickly when the economy improves.

On February 21, 2013, the United States Department of Labor (DOL) made several recommendations for any enabling legislation related to work sharing that would comply with federal requirements and make the program eligible for federal grant funding. At its meeting on that same date, the Council considered the work sharing bills (SB26/AB15 and SB28). I am sending this to you as follow-up to that meeting and at the request of the UIAC members.

The Council reached consensus in support of work sharing legislation that would include the recommendations made by DOL, as well as the inclusion of a provision to recognize applicable collective bargaining agreements. It is important to note that federal law does not require this recognition; employers who elect to participate in a work sharing program would need to comply with their collective bargaining agreements. Failure to do so may expose the employer to potential complaints to the National Labor Relations Board.

The Council reasoned that inclusion of the collective bargaining language would remind employers of the need to consult their collective bargaining agreements and obtain agreement with the union if necessary. This would potentially avoid unnecessary legal confrontations between employers and employees who previously had entered into a collective bargaining agreement. This is also consistent with other states' enabling language. Of the 24 states that currently have a work sharing program, only one does not specifically state the need for union approval of an employer's work sharing program. The DOL has pre-approved a provision that a state may include regarding collective bargaining agreements. The DOL has stated in its commentary: "A state STC law may require agreement by the collective bargaining representative(s) involved to ensure that both labor and management are satisfied with the plan and to minimize possible problems in connection with implementation of the plan."

February 25, 2013
Page 2

The Council again wants to thank you for the opportunity to apply its expertise to potential legislation that impacts the UI program. I look forward to responding to any questions you might have about this legislation.

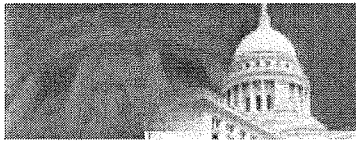
Sincerely,



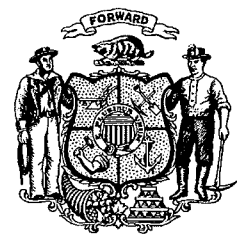
Jahell Knutson, Chair
Unemployment Insurance Advisory Council

CC: Sen. Tom Tiffany, Chair of Senate Committee on Workforce Development, Forestry, Mining & Revenue

Rep. Amy Loudbeck, Chair of Assembly Committee on Workforce Development



WISCONSIN STATE LEGISLATURE



Morouney, Lonna

From: Griffiths, Terri
Sent: Thursday, February 28, 2013 3:25 PM
To: Morouney, Lonna
Cc: Summerfield, Craig
Subject: FW: Assembly Amendment 1 to 2013 Assembly Bill 15

Lonna,

Here is the memo on AA 1 for your files. I'll quick send it to your GOP members and staff.

Terri

From: Konopacki, Larry
Sent: Thursday, February 28, 2013 11:06 AM
To: Griffiths, Terri; Schultz, Jeff
Cc: Ozalp, Jessica
Subject: Assembly Amendment 1 to 2013 Assembly Bill 15

2013 Assembly Bill 15 allows an employer to create a work-share program for employees that meet certain conditions and that are in a "work unit" of the employer, under certain conditions. The bill defines "work unit" as an operational unit of employees designated by an employer for purposes of a work-share program, which may include more than one work site.

Under such a program, the hours of the full-time employees that are included in the program may be reduced, in an equitable manner, in lieu of a total layoff of one or more of the employees. A person who is included in a work-share program may generally receive partial unemployment insurance (UI) benefits reflecting the reduction in the person's normal working hours. A person who is included in a work-share program is generally not required to meet UI requirements related to a person's availability and registration for work and the requirement that a person conduct a search for work.

Prior to implementing a work-share program, the employer must submit a work-share plan to the Department of Workforce Development (DWD) for approval. The employer must certify that the plan is in compliance with all employer obligations under applicable federal and state laws and must certify that other specified requirements are met. A work-share program may not be in effect for longer than six months within a five-year period and must include at least 10 percent of employees in the work unit and at least 20 employees in the work unit. The bill directs DWD to seek federal funding for the costs of UI benefits for participating employees and administration of work-share programs.

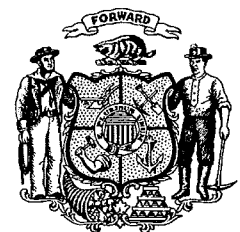
The bill becomes effective on June 30, 2013, but the bill provides that DWD may, subject to oversight by the Joint Committee on Finance, delay the implementation of the bill until no later than December 31, 2013.

Assembly Amendment 1

- Redefines a "work share program" as a program under which the hours of work of employees in a work unit are reduced in lieu of a layoff of "two or more" employees in the work unit, instead of one or more employees.
- Allows a program to be in effect in more than one period, as long as the total time the program is in effect does not exceed 6 months in any 5-year period.

- Allows an employer to include regular part-time employees in a work-share program.
- Clarifies the employer's obligation to provide information about each employee's normal hours worked and the expected reduction in hours for each employee, including the specific percentage of reduction in hours to be worked by an effected employee.
- Requires a work-share plan to indicate whether the plan will include training to enhance job skills sponsored by the employer and to acknowledge training opportunities under federal law.
- Allows an employer to modify a plan subject to DWD approval.
- Specifies that a person is not eligible for UI benefits under a work-share program if the person is engaged in work, for all of the person's employers, that exceeds 90 percent of the employee's average hours of work for the employer that created the plan..
- Specifies that an employee in a work-share program must be available for training.
- Allows the DWD Secretary to waive compliance with any requirement of the state's work-share program if waiver is necessary to permit continued certification of the program to maximize federal funding.

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ASSEMBLY COMMITTEE ON WORKFORCE DEVELOPMENT

EXECUTIVE SESSION

FEBRUARY 28, 2013

I. CALL TO ORDER AND ROLL CALL

A. Call the meeting of the Assembly Committee on Workforce Development to order:

1. Strike the gavel.
2. (If necessary, ask members and visitors to take their seats)
3. (If they are recording the meeting, mention Wisconsin Eye)
4. Request that cell phones be silenced.

B. Ask the clerk to call the roll.

II. ASSEMBLY BILL 15

A. Explain that the committee is meeting to take executive action on Assembly Bill 15, relating to "payment of unemployment insurance benefits under a work-sharing program."

1. Ask Legislative Council to summarize AB 15.

B. Take up **Assembly Amendment 1**.

1. Ask Legislative Council to explain the amendment.
2. Ask for a motion and second to recommend adoption of the amendment. (*A motion for rejection of the amendment would also be in order.*)
3. Entertain discussion.
4. Ask the clerk to call the roll. Announce whether the motion is successful or it fails.

C. Take up **Assembly Amendment 2**.

1. Ask Legislative Council to explain the amendment.
2. Ask for a motion and second to recommend adoption of the amendment. (*A motion for rejection of the amendment would also be in order.*)
3. Entertain discussion.
4. Ask the clerk to call the roll. Announce whether the motion is successful or it fails.

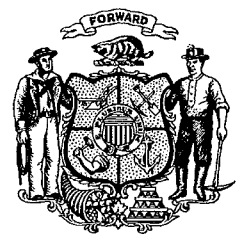
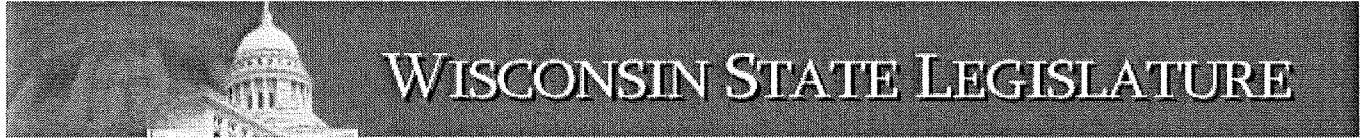
D. If one or both of the above amendments were recommended for adoption, ask for a motion and second to **recommend passage of Assembly Bill 15, as amended**. If neither of the above amendments were recommended for adoption, ask for a motion and second to **recommend passage of Assembly Bill 15**.

1. Entertain discussion.
2. Ask the clerk to call the roll. Announce whether the motion is successful or it fails.

III. ADJOURNMENT

- A. Declare the meeting adjourned, striking the gavel.

(Note that under new Assembly Rule 11 (5) (a), the vote must be held open after adjournment of the committee session to allow an absent member to vote for 30 minutes (or until 5:00 p.m., whichever is earlier). The absent member must cast his or her vote in the committee room where the meeting is held.



Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-1596/1	Introduction Number AB-0015	
Description Payment of unemployment insurance benefits under a work-sharing program		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
<p>One-time costs include \$456,000 for IT System changes to track programs, employers and claimant participation, hour reductions, calculate benefit amounts etc. Specifically, this is estimated to take 6000 hours of programming at \$75 per hour, utilizing 5 programmers for approximately 8 months to complete. We would make this a priority at the direction of the legislature, but would be hard pressed to accelerate the timeline even with additional resources given the specialized knowledge required. Additionally, \$5000 for staff training on details and implementation of the program. <u>There is potential for federal grant funding for these costs, provided the bill is federally compliant.</u> If the state received these federal grant dollars and the program ended in less than 5 years, the federal grant dollars may be recouped. Assuming state and local reimbursables participate in this program at a similar rate to their overall unemployment insurance benefit payments, impacts include short term, state and local reimbursable government savings of up to \$244,000 due to federal funding of workshare benefits. The federal funding of workshare benefits is available through August 2015. After which, payments are treated as regular unemployment insurance benefits. At the state level, this short term savings is estimated up to \$22,420 per year and \$46,360 through August 2015, assuming a start of June 30th, 2013. At the local level, this is estimated up to approximately \$95,580 per year and up to \$197,640 through August 2015, also assuming a start of June 30th, 2013.</p>		
II. Annualized Costs:		
	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$

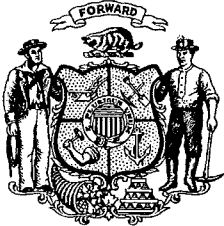
Potentially
 1
 2
 Benefit dollars
 not there

NET ANNUALIZED FISCAL IMPACT

	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
DWD/ Janet Sausen (608) 267-9807	Authorized Signature	Date
	Georgia Maxwell (608) 266-2284	2/20/2013

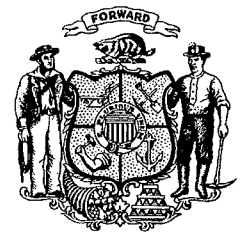


WISCONSIN STATE LEGISLATURE



INFORMAL GUIDANCE CHANGES FROM DOL:

1. Amend language to provide that is in lieu of layoffs rather than a layoff;
2. provide that “usual hours of work” means the usual hours of work for full-time or part-time employees – eliminate that not applicable to part-time employees or 32 hours provision;
3. Plan submitted by employer must specify a specific percent reduction and not a range of reduction in hours worked for the affected unit;
4. Draft legislation did not include any provision that would permit an employee in work share plan to participate in training during the work-share plan and this should be included;
5. Provide that if an STC employee works for another employer and the combined work hours exceed the percentage of usual weekly hours that the STC employee had with the STC employer, the individual is not entitled to STC or regular UC b/c there is no reduction in his or her the usual hours of work.



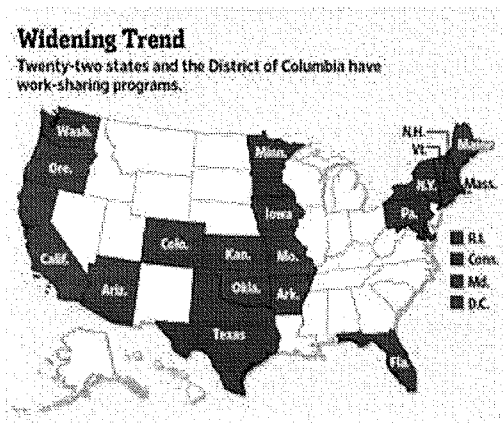
THE WALL STREET JOURNAL

WSJ.com

November 31, 2011
Cutting Hours Instead of Jobs
Rhode Island, Other States Offer Partial Unemployment for Shortened Workweeks

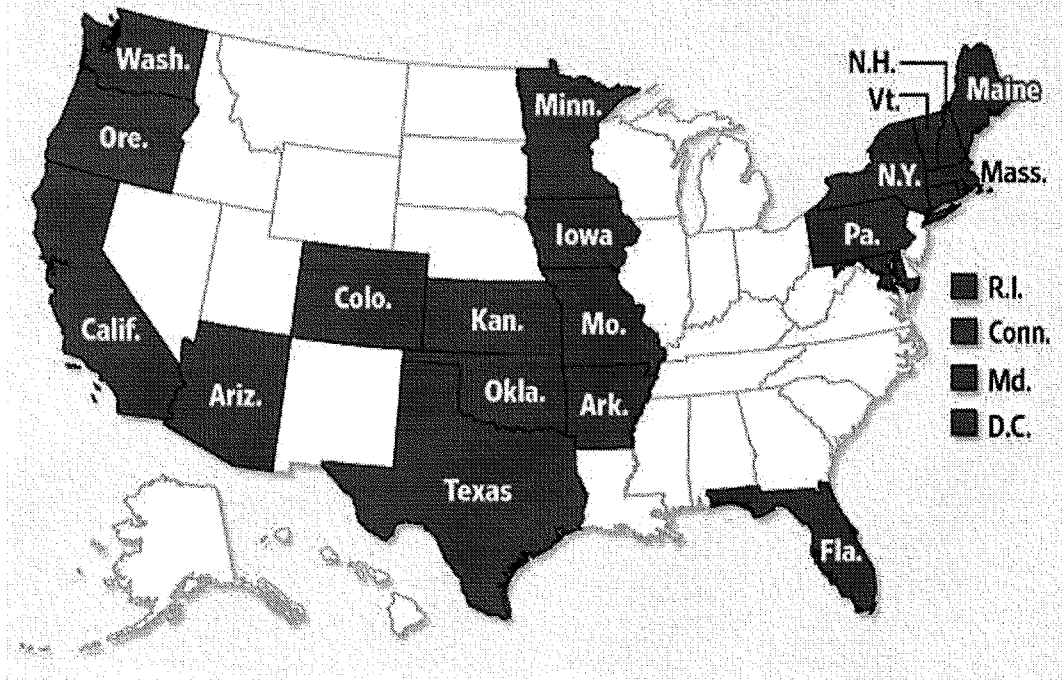
By JUSTIN LAHART

PROVIDENCE, R.I.—Facing potential layoffs, Pilgrim Screw Corp. in September directed 11 of its 65 employees to cut their workweeks by one day. The move meant nobody at the small manufacturer lost jobs, while those with fewer hours now get a check from Rhode Island representing one-fifth of what they would make under full-fledged unemployment insurance. It's a pay cut for those workers, to be sure, but they prefer that to the alternative: joblessness.



Widening Trend

Twenty-two states and the District of Columbia have work-sharing programs.



"You take some hits, but it's not as bad as if you were laid off," said Pilgrim Screw Chief Executive Geoffrey Grove.

Rhode Island is among the 22 states and the District of Columbia that offer some form of "work sharing," programs in which employees work fewer hours and receive partial unemployment insurance to lessen the blow to their incomes.

Many states have had such programs for decades, usually implemented in the wake of recessions. But they seldom had been used until the current tough job market. Five states have enacted programs since 2009, and President Barack Obama has included a national work-sharing plan as part of his jobs package, now before Congress, as a way to address the nation's 9% unemployment rate.

Rhode Island, which adopted work sharing in 1992, is one of the few states where it has been widely embraced. The state processed more than 12,000 initial claims for work sharing in 2010.

The state's unemployment is 10.4% but would be higher without work sharing, according to the state's labor department. In 2009 and 2010 work sharing averted a total of 9,550 layoffs, the department calculates. Rhode Island lost 14,400 jobs in the same period—3% of the state's work force.

Susan Houseman, a senior economist at the W.E. Upjohn Institute for Employment Research in Kalamazoo, Mich., said that in 2009, the most severe year of the recession for U.S. job losses, Rhode Island's employers were five times as likely to turn to work sharing as employers in the other states with programs, on average. Of the five million jobs lost across the nation that year, 220,000 of them might have been saved if the whole country was on a work-sharing program like Rhode Island's, she calculates.

Pilgrim's Stephen Saravo was on work-sharing for four months.

Rhode Island Sen. Jack Reed, a Democrat, has been pushing for more comprehensive work sharing in the U.S. Under legislation he introduced this year, the federal government would for three years wholly fund work-sharing benefits in states that permanently enact work sharing. Temporary programs would receive partial funding for two years.

Work sharing has its downsides. Employers must file a steady stream of documents with state officials to allow workers to participate in the programs. Some business leaders view layoffs as an easier alternative.

Then there are the unintended consequences. Dean Baker, of the left-leaning Center for Economic and Policy Research, is in favor of work sharing but notes that by preventing layoffs, the practice also could slow the movement of workers from declining sectors to growing ones. That could make the economy less flexible.

Still, Mr. Baker believes the benefits outweigh that concern—particularly at a time where long spells of joblessness are eroding workers skills, ultimately making them less productive.

Kevin Hassett of the conservative American Enterprise Institute also is a fan, and noted that he hasn't encountered any hostility when he has raised the topic with fellow Republicans. "This thing could have a big impact on the labor market," he added.

At Pilgrim Screw, the program is viewed as a good way to avoid the cycle of layoffs and hiring that might leave the company shorthanded when the need arises. The company first used the program in early 2009, when orders plunged after the financial crisis. That allowed the company to hang on to valuable workers, said Mr. Grove, the CEO.

Pilgrim Screw's employees agreed to take part in the program, which reduced their pay by about 10% including the state benefits—a bit less if they had dependents, a bit more if they were highly paid. The company continued to pay health benefits.

"You feel it, but you don't lose your job," said Stephen Saravo, 54, who was on work-sharing at Pilgrim for four months in 2009.

Messrs. Saravo and Hendricks have both worked at Pilgrim Screw for more than 30 years.

The company makes specialized screws and other fasteners for the aerospace and defense industries. To operate the machines that shape its hundreds of fasteners, Pilgrim workers must get the knack of how different metals respond to various conditions.

"It would take years for someone else to come in here and learn this stuff," said Reuben Hendricks, 59 years old, who operates a pair of high-end machines for the company and was also on work-sharing in 2009.

Pilgrim Screw now has plenty of work for employees like Mr. Hendricks to fill a full 40-hour week, said Mr. Grove. While business has been slow, he expects things to pick up as airlines move to replace aging fleets. To keep costs down, he asked front-office staff to go on work sharing starting in September. And he placed himself in the program.

"It hurts, but overall it's the best thing for the company," Mr. Grove said.

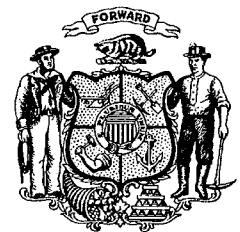
Write to Justin Lahart at justin.lahart@wsj.com

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WISCONSIN STATE LEGISLATURE



AB15

~~AA1~~
Howard questions abt 6 months - can be split

Highland - question abt

~~AB15~~ -

benefit week - 40 hour weeks
how are partial weeks

calculated? how many
weeks worked.