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## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

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<b>2011 Assembly Bill 450</b>	<b>Assembly Amendment 1, as Amended</b>
<i>Memo published:</i> February 20, 2012 <i>Contact:</i> Jessica Karls-Ruplinger, Senior Staff Attorney (266-2230)	

This memorandum describes Assembly Amendment 1 to 2011 Assembly Bill 450, relating to participation in certain training by unemployment insurance (UI) claimants, granting rule-making authority, and making an appropriation, and Assembly Amendment 1 to Assembly Amendment 1.

### **2011 Assembly Bill 450**

Assembly Bill 450 requires the Department of Workforce Development (DWD) to administer a pilot program that offers special occupational training to UI claimants in three areas of the state, designated by DWD, that are served by local workforce development boards. Under the bill, the pilot program sunsets on July 1, 2015.

Under the program, employers offer special occupational training to UI claimants. For an employer to participate in the program, the employer must affirm that it has one job opening for each training participant that it seeks in a position that a successful participant would potentially qualify to fill. A placement in the program occurs during an individual's UI benefit year. An individual may not receive a placement for any week beginning after the end of the first 26 weeks of the individual's benefit year. An individual may receive no more than two placements in the program during his or her benefit year. Each placement is for a six-week period, with training between 20 and 24 hours per week. An individual must maintain his or her eligibility for UI benefits during the placement and must terminate a placement if necessary to accept any work that the individual is required to accept in order to maintain eligibility for UI benefits.

In addition, DWD must pay a stipend of \$75 per week to each individual who participates in the program. Upon successful completion of each placement, DWD must issue to the individual a training certificate that describes the skills in which the claimant received training.

Further, an individual who participates in the program is considered an employee of the state for purposes of worker's compensation. An individual participating in the program may not make a claim or bring an action in tort against the employer that provided the training from which the claim arose.

Lastly, the bill requires DWD, no later than December 31, 2014, to submit a report to the Legislature that evaluates the effectiveness of the program and provides DWD's recommendations concerning extension of the program or changes to the program that may enhance its effectiveness.

### **Assembly Amendment 1**

Assembly Amendment 1 makes the following changes to Assembly Bill 450:

- Provides that an individual who participates in the pilot program is considered an employee of the employer that provides the training, rather than as an employee of the state, for purposes of worker's compensation. The amendment also provides that, under the worker's compensation law, in the case of an individual participating in the program, the earnings of an injured individual are the usual going earnings paid for similar services on a normal full-time basis in the same or similar employment in which earnings can be determined under certain methods set out in worker's compensation law.
- Provides that an individual who receives a stipend under the program is not an "employee" for purposes of UI law and that the stipend is not "wages" under UI law.
- Provides that DWD may suspend an individual's obligation to be available for work during those hours in which the individual participates in a placement under the program, but the individual must maintain his or her availability for work during other hours of the work week.
- Provides that an individual has good cause to refuse suitable work if the individual is participating in the program at the time that the individual receives an offer of suitable work and DWD determines that there is a reasonable expectation that the individual will receive an offer of full-time work at the end of the placement.
- Provides that a placement must be for a period *not exceeding six weeks*.
- Provides that an individual may not receive a placement for any *period that includes a week* beginning after the end of the first 26 weeks of the individual's benefit year.
- Allows DWD to decline to accept applications for placements for an employer that has not hired a reasonable percentage of qualified trainees.
- Provides that DWD is not required to pay a stipend to an individual who declines the stipend for the entire period of a placement and notifies DWD, in writing, of the declination.

**Assembly Amendment 1 to Assembly Amendment 1**

Assembly Amendment 1 to Assembly Amendment 1 provides that the pilot program created by the bill sunsets on *July 1, 2013*.

In addition, the amendment requires DWD to submit its report that evaluates the effectiveness of the program and provides DWD's recommendations concerning the program to the Legislature no later than *May 30, 2013*.

**Legislative History**

Assembly Amendment 1 was offered by Representative Honadel. On February 1, 2012, the Assembly Committee on Labor and Workforce Development recommended adoption of Assembly Amendment 1 and recommended passage of Assembly Bill 450, as amended, on votes of Ayes, 8; Noes, 0.

Assembly Amendment 1 to Assembly Amendment 1 was offered by Representative Honadel. On February 16, 2012, the Assembly adopted Assembly Amendment 1 to Assembly Amendment 1 and Assembly Amendment 1, as amended, on voice votes. On that same date, the Assembly passed Assembly Bill 450, as amended, on a vote of Ayes, 95; Noes, 0.

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