2005 ASSEMBLY BILL 1004

February 10, 2006 – Introduced by Representatives GRIGSBY, BERCEAU, FIELDS, KESSLER, POCAN, SEIDEL, SHERIDAN, SINICKI, A. WILLIAMS and YOUNG, cosponsored by Senators TAYLOR, ROESSLER and MILLER. Referred to Committee on Children and Families.

1 AN ACT *to repeal* 227.01 (13) (zL); *to renumber and amend* 49.148 (1m) (b);

2 *to amend* 49.148 (1m) (a), 49.155 (1m) (a) 3., 71.07 (2dx) (b) 2., 71.07 (2dx) (b)

3 3., 71.07 (2dx) (b) 4., 71.07 (2dx) (b) 5., 71.28 (1dx) (b) 2., 71.28 (1dx) (b) 3., 71.28

4 (1dx) (b) 4., 71.28 (1dx) (b) 5., 71.47 (1dx) (b) 2., 71.47 (1dx) (b) 3., 71.47 (1dx)

5 (b) 4. and 71.47 (1dx) (b) 5.; *to create* 49.147 (3) (d) and 227.01 (13) (zL) of the

6 statutes; and *to affect* 2003 Wisconsin Act 33, section 9159 (4f); **relating to:**

7 a trial jobs plus project under Wisconsin Works.

Analysis by the Legislative Reference Bureau

The Wisconsin Works (W–2) program under current law provides work experience and benefits for low–income custodial parents who are at least 18 years old, as well as job search assistance to noncustodial parents who are required to pay child support, to minor custodial parents, and to pregnant women who are not custodial parents. Also, an individual who is the parent of a child under the age of 13 or, if the child is disabled, under the age of 19, is eligible for a child care subsidy under the W–2 program if the individual needs child care services to participate in various educational or work activities. The W–2 program, which is funded with federal Temporary Assistance for Needy Families (TANF) block grant moneys, federal child care block grant moneys, and state general purpose revenue, is administered by the Department of Workforce Development (DWD), which in turn contracts with W–2 agencies to administer the program on the local level.

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The work components under W–2, called employment positions, consist of three categories: 1) trial jobs, under which an individual receives at least minimum wage from an employer and the W–2 agency pays a wage subsidy of up to $300 per month to the employer; 2) community service jobs, under which an individual works in a project that serves a useful public purpose or that will generate revenue to wholly or partially offset the project's cost and receives a monthly grant of up to $673 from the W–2 agency; and 3) transitional placements, under which an individual participates in work activities in a community rehabilitation program, a job similar to a community service job, or volunteer activities and receives a monthly grant of up to $628 from the W–2 agency. Employers for all employment positions must meet criteria established by DWD by rule, and all participants in all employment positions must search for unsubsidized employment the entire time that they are participating in any W–2 employment position. Also under current law, DWD is directed to continue the creation and implementation of a subsidized work program.

This bill eliminates the directive to DWD to continue the creation and implementation of a subsidized work program and requires DWD to conduct, from January 1, 2007, to December 31, 2008, a pilot project for a trial jobs plus program. The pilot project must be limited to 500 participants and must be conducted in at least one of the geographical areas of the state established for administering the W–2 program that is located in Milwaukee County and in at least two of those geographical areas that are not in Milwaukee County. Under the project, a W–2 agency pays a wage subsidy, as well as reimbursing up to 100 percent of federal social security taxes, state and federal unemployment contributions, and worker's compensation insurance premiums, to an employer that employs a project participant and that agrees to make a good faith effort to retain the participant as an unsubsidized employee after the wage subsidy ends if the participant successfully completes participation in the trial job plus. If the employer does not retain the participant, the employer must serve as an employment reference for the participant or provide a written performance evaluation of the participant, including recommendations for improvement. The wage subsidy may not exceed the federal minimum wage for no more than 30 hours of work per week, and any required training activities are counted toward the participant's work hours. An individual may participate in a trial job plus for up to six months, with a possible three–month extension.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1   SECTION 1. 49.147 (3) (d) of the statutes is created to read:

1   49.147 **(3)** (d) *Trial jobs plus pilot project.* The department shall design and,

2   from January 1, 2007, to December 31, 2008, conduct a pilot project for a trial jobs

3   plus program that includes the following features:

4   1. The project is limited to 500 participants and is conducted in at least one of

5   the geographical areas established by the department under s. 49.143 (6) that is in

6   Milwaukee County and in at least 2 of those geographical areas that are not in

7   Milwaukee County.

8   2. Except as otherwise provided in this paragraph, all provisions of the statutes

9   that apply to the trial job program or a trial job under this subsection apply to the

10   pilot project or a trial job plus under this paragraph, including eligibility

11   requirements.

12   3. An employer that employs a participant under this paragraph and receives

13   a wage subsidy shall agree to make a good faith effort to retain the participant as a

14   permanent unsubsidized employee after the wage subsidy ends if the participant

15   successfully completes participation in the trial job plus. An employer shall also

16   agree that, if the employer does not retain a participant as a permanent unsubsidized

17   employee, the employer will serve as an employment reference for the participant or

18   provide to the Wisconsin Works agency or intermediary under subd. 4. a written

19   performance evaluation of the participant, including recommendations for

20   improvements.

21   4. The Wisconsin Works agency may contract with an intermediary that acts

22   as any of the following:

23   a. A placement agency.

24   b. An employer of record of a participant under this paragraph.

1   c. A provider of supportive services, including coaching, mentoring, counseling,

2   or job placement services.

3   5. Subject to subd. 3., the Wisconsin Works agency or intermediary under subd.

4   4. pays an employer that employs a participant under this paragraph a monthly

5   wage subsidy that does not exceed the federal minimum wage for no more than 30

6   hours of work per week. In addition, the Wisconsin Works agency or intermediary

7   reimburses the employer for up to 100 percent of all of the following costs that are

8   attributable to employment of the participant:

9   a. Federal social security taxes.

10   b. State and federal unemployment contributions or taxes, if any.

11   c. Worker's compensation insurance premiums, if any.

12   6. Training activities prescribed by the employer under par. (am) consistent

13   with training provided to other employees at the worksite are considered work for

14   purposes of calculating the wage subsidy under subd. 5.

15   7. Participation by an individual in a trial job plus is limited to 6 months with

16   a possible extension of up to 3 months.

17   8. Notwithstanding the ending date for the project, for any participant who is

18   accepted into the program before December 31, 2008, payments under subd. 5. shall

19   be made until the participant completes his or her participation in the trial job plus.

20   SECTION 2. 49.148 (1m) (a) of the statutes is amended to read:

21   49.148 **(1m)** (a) A custodial parent of a child who is 12 weeks old or less and

22   who meets the eligibility requirements under s. 49.145 (2) and (3) may receive a

23   monthly grant of $673 unless another adult member of the custodial parent's

24   Wisconsin ~~works~~ Works group is participating in, or is eligible to participate in, a

25   Wisconsin ~~works~~ Works employment position or is employed in unsubsidized

1   employment, as defined in s. 49.147 (1) (c). A Wisconsin ~~works~~ Works agency may

2   not require a participant under this subsection to participate in any employment

3   positions.

4   (b) 1. Receipt of a grant under this subsection does not constitute participation

5   in a Wisconsin ~~works~~ Works employment position for purposes of the time limits

6   under s. 49.145 (2) (n) or 49.147 (3) (c) or (d) 7., (4) (b), or (5) (b) 2. if the child is born

7   to the participant not more than 10 months after the date that the participant was

8   first determined to be eligible for assistance under s. 49.19 or for a Wisconsin ~~works~~

9   Works employment position.

10   **SECTION 3.** 49.148 (1m) (b) of the statutes is renumbered 49.148 (1m) (b) 2. and

11 amended to read:

12   49.148 **(1m)** (b) 2. Receipt of a grant under this subsection constitutes

13 participation in a Wisconsin ~~works~~ Works employment position for purposes of the

14 time limits under ss. 49.145 (2) (n) and 49.147 (3) (c) or (d) 7., (4) (b), or (5) (b) 2. if

15 the child is born to the participant more than 10 months after the date that the

16 participant was first determined to be eligible for assistance under s. 49.19 or for a

17 Wisconsin ~~works~~ Works employment position unless the child was conceived as a

18 result of a sexual assault in violation of s. 940.225 (1), (2), or (3) in which the mother

19 did not indicate a freely given agreement to have sexual intercourse or of incest in

20 violation of s. 944.06 or 948.06 and that incest or sexual assault has been reported

21 to a physician and to law enforcement authorities.

22   **SECTION 4.** 49.155 (1m) (a) 3. of the statutes is amended to read:

23   49.155 **(1m)** (a) 3. Work in a Wisconsin ~~works~~ Works employment position,

24 including participation in job search, orientation, and training activities under s.

1   49.147 (2) (a) and in education or training activities under s. 49.147 (3) (am) <u>or (d)</u>,

2   (4) (am)<u>,</u> or (5) (bm).

3   **SECTION 5.** 71.07 (2dx) (b) 2. of the statutes is amended to read:

4   71.07 **(2dx)** (b) 2.   The amount determined by multiplying the amount

5   determined under s. 560.785 (1) (b) by the number of full–time jobs created in a

6   development zone and filled by a member of a targeted group and by then subtracting

7   the subsidies paid under s. 49.147 (3) (a) <u>or the subsidies and reimbursements paid</u>

8   <u>under s. 49.147 (3) (d) 5.</u> for those jobs.

9   **SECTION 6.** 71.07 (2dx) (b) 3. of the statutes is amended to read:

10   71.07 **(2dx)** (b) 3.   The amount determined by multiplying the amount

11   determined under s. 560.785 (1) (c) by the number of full–time jobs created in a

12   development zone and not filled by a member of a targeted group and by then

13   subtracting the subsidies paid under s. 49.147 (3) (a) <u>or the subsidies and</u>

14   <u>reimbursements paid under s. 49.147 (3) (d) 5.</u> for those jobs.

15   **SECTION 7.** 71.07 (2dx) (b) 4. of the statutes is amended to read:

16   71.07 **(2dx)** (b) 4.   The amount determined by multiplying the amount

17   determined under s. 560.785 (1) (bm) by the number of full–time jobs retained, as

18   provided in the rules under s. 560.785, excluding jobs for which a credit has been

19   claimed under sub. (2dj), in an enterprise development zone under s. 560.797 and for

20   which significant capital investment was made and by then subtracting the

21   subsidies paid under s. 49.147 (3) (a) <u>or the subsidies and reimbursements paid</u>

22   <u>under s. 49.147 (3) (d) 5.</u> for those jobs.

23   **SECTION 8.** 71.07 (2dx) (b) 5. of the statutes is amended to read:

24   71.07 **(2dx)** (b) 5.   The amount determined by multiplying the amount

25   determined under s. 560.785 (1) (c) by the number of full–time jobs retained, as

1   provided in the rules under s. 560.785, excluding jobs for which a credit has been

2   claimed under sub. (2dj), in a development zone and not filled by a member of a

3   targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) <u>or</u>

4   <u>the subsidies and reimbursements paid under s. 49.147 (3) (d) 5.</u> for those jobs.

5   **SECTION 9.** 71.28 (1dx) (b) 2. of the statutes is amended to read:

6   71.28 **(1dx)** (b) 2.   The amount determined by multiplying the amount

7   determined under s. 560.785 (1) (b) by the number of full–time jobs created in a

8   development zone and filled by a member of a targeted group and by then subtracting

9   the subsidies paid under s. 49.147 (3) (a) <u>or the subsidies and reimbursements paid</u>

10   <u>under s. 49.147 (3) (d) 5.</u> for those jobs.

11   **SECTION 10.** 71.28 (1dx) (b) 3. of the statutes is amended to read:

12   71.28 **(1dx)** (b) 3.   The amount determined by multiplying the amount

13   determined under s. 560.785 (1) (c) by the number of full–time jobs created in a

14   development zone and not filled by a member of a targeted group and by then

15   subtracting the subsidies paid under s. 49.147 (3) (a) <u>or the subsidies and</u>

16   <u>reimbursements paid under s. 49.147 (3) (d) 5.</u> for those jobs.

17   **SECTION 11.** 71.28 (1dx) (b) 4. of the statutes is amended to read:

18   71.28 **(1dx)** (b) 4.   The amount determined by multiplying the amount

19   determined under s. 560.785 (1) (bm) by the number of full–time jobs retained, as

20   provided in the rules under s. 560.785, excluding jobs for which a credit has been

21   claimed under sub. (1dj), in an enterprise development zone under s. 560.797 and for

22   which significant capital investment was made and by then subtracting the

23   subsidies paid under s. 49.147 (3) (a) <u>or the subsidies and reimbursements paid</u>

24   <u>under s. 49.147 (3) (d) 5.</u> for those jobs.

25   **SECTION 12.** 71.28 (1dx) (b) 5. of the statutes is amended to read:

1   71.28 **(1dx)** (b) 5.   The amount determined by multiplying the amount

2   determined under s. 560.785 (1) (c) by the number of full−time jobs retained, as

3   provided in the rules under s. 560.785, excluding jobs for which a credit has been

4   claimed under sub. (1dj), in a development zone and not filled by a member of a

5   targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) <u>or</u>

6   <u>the subsidies and reimbursements paid under s. 49.147 (3) (d) 5.</u> for those jobs.

7   **SECTION 13.** 71.47 (1dx) (b) 2. of the statutes is amended to read:

8   71.47 **(1dx)** (b) 2.   The amount determined by multiplying the amount

9   determined under s. 560.785 (1) (b) by the number of full−time jobs created in a

10   development zone and filled by a member of a targeted group and by then subtracting

11   the subsidies paid under s. 49.147 (3) (a) <u>or the subsidies and reimbursements paid</u>

12   <u>under s. 49.147 (3) (d) 5.</u> for those jobs.

13   **SECTION 14.** 71.47 (1dx) (b) 3. of the statutes is amended to read:

14   71.47 **(1dx)** (b) 3.   The amount determined by multiplying the amount

15   determined under s. 560.785 (1) (c) by the number of full−time jobs created in a

16   development zone and not filled by a member of a targeted group and by then

17   subtracting the subsidies paid under s. 49.147 (3) (a) <u>or the subsidies and</u>

18   <u>reimbursements paid under s. 49.147 (3) (d) 5.</u> for those jobs.

19   **SECTION 15.** 71.47 (1dx) (b) 4. of the statutes is amended to read:

20   71.47 **(1dx)** (b) 4.   The amount determined by multiplying the amount

21   determined under s. 560.785 (1) (bm) by the number of full−time jobs retained, as

22   provided in the rules under s. 560.785, excluding jobs for which a credit has been

23   claimed under sub. (1dj), in an enterprise development zone under s. 560.797 and for

24   which significant capital investment was made and by then subtracting the

1 subsidies paid under s. 49.147 (3) (a) <u>or the subsidies and reimbursements paid</u>

2 <u>under s. 49.147 (3) (d) 5.</u> for those jobs.

3 **SECTION 16.** 71.47 (1dx) (b) 5. of the statutes is amended to read:

4 71.47 **(1dx)** (b) 5. The amount determined by multiplying the amount

5 determined under s. 560.785 (1) (c) by the number of full–time jobs retained, as

6 provided in the rules under s. 560.785, excluding jobs for which a credit has been

7 claimed under sub. (1dj), in a development zone and not filled by a member of a

8 targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) <u>or</u>

9 <u>the subsidies and reimbursements paid under s. 49.147 (3) (d) 5.</u> for those jobs.

10 **SECTION 17.** 227.01 (13) (zL) of the statutes is created to read:

11 227.01 **(13)** (zL) Relates to the trial jobs plus pilot project under s. 49.147 (3)

12 (d).

13 **SECTION 18.** 227.01 (13) (zL) of the statutes, as created by 2005 Wisconsin Act

14 .... (this act), is repealed.

15 **SECTION 19.** 2003 Wisconsin Act 33, section 9159 (4f) is repealed.

16 **SECTION 20. Initial applicability.**

17 (1) DEVELOPMENT ZONES TAX CREDITS. The treatment of sections 71.07 (2dx) (b)

18 2., 3., 4., and 5., 71.28 (1dx) (b) 2., 3., 4., and 5., and 71.47 (1dx) (b) 2., 3., 4., and 5.

19 of the statutes first applies to taxable years beginning on January 1, 2007.

20 **SECTION 21. Effective dates.** This act takes effect on the day after publication,

21 except as follows:

22 (1) TRIAL JOBS PLUS RULES EXCLUSION. The repeal of section 227.01 (13) (zL) of

23 the statutes takes effect on January 1, 2009.

24 **(END)**