

## 2003 SENATE BILL 516

March 2, 2004 – Introduced by Senators ROESSLER, DARLING, MOORE, PLALE, ROBSON and JAUCH, cosponsored by Representatives HUEBSCH, JESKEWITZ, ZEPNICK, GUNDERSON, MILLER, MONTGOMERY, SHILLING, SINICKI, TAYLOR and HAHN. Referred to Committee on Health, Children, Families, Aging and Long Term Care.

1     **AN ACT** *to repeal* 227.01 (13) (zL); *to amend* 49.148 (1m) (a), 49.148 (1m) (b),  
 2           49.155 (1m) (a) 3., 71.07 (2dx) (b) 2., 71.07 (2dx) (b) 3., 71.07 (2dx) (b) 4., 71.07  
 3           (2dx) (b) 5., 71.28 (1dx) (b) 2., 71.28 (1dx) (b) 3., 71.28 (1dx) (b) 4., 71.28 (1dx)  
 4           (b) 5., 71.47 (1dx) (b) 2., 71.47 (1dx) (b) 3., 71.47 (1dx) (b) 4. and 71.47 (1dx) (b)  
 5           5.; *to create* 49.147 (3) (d) and 227.01 (13) (zL) of the statutes; and *to affect*  
 6           2003 Wisconsin Act 33, section 9159 (4f); **relating to:** a trial jobs plus  
 7           demonstration project under the Wisconsin Works program.

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### ***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 in order 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 Department (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 July 1, 2004, to December 31, 2005, a demonstration project for a trial jobs plus program. The demonstration project must be limited to no more than four of the geographical areas of the state that DWD has established for administration of the W-2 program by each of the W-2 agencies and to no more than 1,000 participants. 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.

The bill requires DWD to request funding for the project from the Joint Committee on Finance and, along with the request, to detail the proposed project budget, how the project will be implemented, and the criteria that will be used to select the participants. In addition, on or about January 1, 2005, July 1, 2005, and March 1, 2006, DWD must submit reports to the legislature that describe the project participants, how many were offered permanent jobs by their trial jobs plus employers, the average cost per participant, a follow-up on the employment status of each participant after he or she leaves the project, and an accounting of the expenditures under the project.

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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:
- 2           49.147 (3) (d) *Trial jobs plus demonstration project.* The department shall
- 3 design and, from July 1, 2004, to December 31, 2005, conduct a demonstration project
- 4 for a trial jobs plus program that includes the following features:
- 5           1. The project is limited to no more than 4 of the geographical areas established
- 6 by the department under s. 49.143 (6) and to no more than 1,000 participants.
- 7           2. Except as otherwise provided in this paragraph, all provisions of the statutes
- 8 that apply to the trial job program or a trial job under this subsection apply to the
- 9 demonstration project or a trial job plus under this paragraph, including eligibility
- 10 requirements.
- 11           3. An employer that employs a participant under this paragraph and receives
- 12 a wage subsidy shall agree to make a good faith effort to retain the participant as a
- 13 permanent unsubsidized employee after the wage subsidy ends if the participant
- 14 successfully completes participation in the trial job plus. An employer shall also
- 15 agree that, if the employer does not retain a participant as a permanent unsubsidized
- 16 employee, the employer will serve as an employment reference for the participant or
- 17 provide to the Wisconsin Works agency or intermediary under subd. 4. a written
- 18 performance evaluation of the participant, including recommendations for
- 19 improvements.
- 20           4. The Wisconsin Works agency may contract with an intermediary that acts
- 21 as any of the following:

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- 1           a. A placement agency.
- 2           b. An employer of record of a participant under this paragraph.
- 3           c. A provider of supportive services, including coaching, mentoring, counseling,
- 4 or job placement services.

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

6 4. pays an employer that employs a participant under this paragraph a wage subsidy

7 that does not exceed the federal minimum wage for no more than 30 hours of work

8 per week. In addition, the Wisconsin Works agency or intermediary reimburses the

9 employer for up to 100 percent of all of the following costs that are attributable to

10 employment of the participant:

- 11           a. Federal social security taxes.
- 12           b. State and federal unemployment contributions or taxes, if any.
- 13           c. Worker's compensation insurance premiums, if any.
- 14           6. Training activities prescribed by the employer under par. (am) consistent
- 15 with training provided to other employees at the worksite are considered work for
- 16 purposes of calculating the wage subsidy.

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

18 a possible extension of up to 3 months.

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

20 accepted into the program before December 31, 2005, payments under subd. 5. shall

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

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

23           49.148 (1m) (a) A custodial parent of a child who is 12 weeks old or less and

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

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

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1 Wisconsin ~~works~~ Works group is participating in, or is eligible to participate in, a  
2 Wisconsin ~~works~~ Works employment position or is employed in unsubsidized  
3 employment, as defined in s. 49.147 (1) (c). A Wisconsin ~~works~~ Works agency may  
4 not require a participant under this subsection to participate in any employment  
5 positions. Receipt of a grant under this subsection does not constitute participation  
6 in a Wisconsin ~~works~~ Works employment position for purposes of the time limits  
7 under s. 49.145 (2) (n) or 49.147 (3) (c) or (d) 7., (4) (b)<sub>1</sub> or (5) (b) 2. if the child is born  
8 to the participant not more than 10 months after the date that the participant was  
9 first determined to be eligible for assistance under s. 49.19 or for a Wisconsin ~~works~~  
10 Works employment position.

11 **SECTION 3.** 49.148 (1m) (b) of the statutes is amended to read:

12 49.148 **(1m)** (b) 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)<sub>1</sub> 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)<sub>1</sub> 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<sub>1</sub> and training activities under s.

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1 49.147 (2) (a) and in education or training activities under s. 49.147 (3) (am) or (d),  
2 (4) (am), 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) or the subsidies and reimbursements paid  
8 under s. 49.147 (3) (d) 5. 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) or the subsidies and  
14 reimbursements paid under s. 49.147 (3) (d) 5. 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) or the subsidies and reimbursements paid  
22 under s. 49.147 (3) (d) 5. 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

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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) or  
4 the subsidies and reimbursements paid under s. 49.147 (3) (d) 5. 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) or the subsidies and reimbursements paid  
10 under s. 49.147 (3) (d) 5. 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) or the subsidies and  
16 reimbursements paid under s. 49.147 (3) (d) 5. 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) or the subsidies and reimbursements paid  
24 under s. 49.147 (3) (d) 5. for those jobs.

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



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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) or  
6 the subsidies and reimbursements paid under s. 49.147 (3) (d) 5. 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) or the subsidies and reimbursements paid  
12 under s. 49.147 (3) (d) 5. 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) or the subsidies and  
18 reimbursements paid under s. 49.147 (3) (d) 5. 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



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1 subsidies paid under s. 49.147 (3) (a) or the subsidies and reimbursements paid  
2 under s. 49.147 (3) (d) 5. 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) or  
9 the subsidies and reimbursements paid under s. 49.147 (3) (d) 5. 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 demonstration project under s.  
12 49.147 (3) (d).

13 **SECTION 18.** 227.01 (13) (zL) of the statutes, as created by 2003 Wisconsin Act  
14 .... (this act), is repealed.

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

16 **SECTION 20. Nonstatutory provisions.**

17 (1) REPORTS ON TRIAL JOBS PLUS DEMONSTRATION PROJECT. On or about January  
18 1, 2005, July 1, 2005, and March 1, 2006, the department of workforce development  
19 shall submit a report to the legislature in the manner provided under section 13.172  
20 (2) of the statutes that details the following information about the demonstration  
21 project under section 49.147 (3) (d) of the statutes, as created by this act:

22 (a) A profile of the participants, including identifiable barriers to their  
23 employment.

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1 (b) The success of the Wisconsin Works agencies involved in the project in  
2 meeting the performance standards established under section 49.143 (3) of the  
3 statutes.

4 (c) The number of participants offered unsubsidized employment by their trial  
5 jobs plus employers.

6 (d) The average cost per participant placement in a trial job plus.

7 (e) A follow-up on the employment status of each individual after the  
8 conclusion of his or her participation in the project, including whether the individual  
9 is employed in unsubsidized employment or participating in another job or  
10 placement under the Wisconsin Works program.

11 (f) An accounting of expenditures under the project, including administration  
12 expenses, intermediary contract costs under section 49.147 (3) (d) 4. of the statutes,  
13 as created by this act, reimbursements and wage subsidies under section 49.147 (3)  
14 (d) 5. of the statutes, as created by this act, and any other project-related expenses.

15 (2) REQUEST FOR RELEASE OF FUNDS. Within 30 days after the effective date of  
16 this subsection, the department of workforce development shall request the joint  
17 committee on finance to take action under section 13.10 of the statutes to release  
18 moneys from the appropriation account under section 20.865 (4) (m) of the statutes  
19 to fund the demonstration project under section 49.147 (3) (d) of the statutes, as  
20 created by this act. In addition to providing an accounting of the proposed budget,  
21 the request shall detail the goals of the demonstration project and the department's  
22 strategy for implementation and shall provide an explanation of the criteria that the  
23 Wisconsin Works agencies will use to select the project's participants.

24 **SECTION 21. Initial applicability.**

