

WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2009 Wisconsin Act 333 [2009 Assembly Bill 898] Trial Jobs Program and Transitional Jobs Demonstration Project

CURRENT LAW

<u>Trial Jobs</u>

Under current law, among other employment programs, a Wisconsin Works (W-2) agency must administer a trial jobs program to improve the employability of individuals who are not otherwise able to obtain unsubsidized employment by providing work experience and training to assist them to move promptly into unsubsidized employment.

The W-2 agency must pay a wage subsidy to an employer that employs a participant in a trial job and agrees to make a good faith effort to retain the participant as a permanent unsubsidized employee after the wage subsidy is terminated. The wage subsidy may not exceed \$300 per month for full-time employment of a participant. For less than full-time employment of a participant during a month, the wage subsidy is prorated.

Under current law, a trial job includes education and training activities, as prescribed by the employer as an integral part of work performed in the trial job employment.

Transitional Jobs Demonstration Project

2009 Wisconsin Act 28, the Biennial Budget Act, created the transitional jobs demonstration project. Beginning on January 1, 2010, the Department of Children and Families (DCF) is required to conduct a demonstration project that offers transitional jobs to low-income adults. A person must satisfy all of the following criteria to be eligible to participate in the demonstration project:

- Be at least 21, but not more than 64 years of age.
- Be ineligible for W-2.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <u>http://www.legis.state.wi.us/</u>.

- Have an annual household income that is below 150% of the poverty line.
- Be unemployed for at least four weeks.
- Be ineligible to receive unemployment insurance benefits.

DCF is required to provide up to 2,500 transitional jobs under the demonstration project. The jobs must be allocated among Milwaukee County, Dane County, Racine County, Kenosha County, Rock County, Brown County, and other regions of the state, as determined by DCF, in the same proportion as the total number of W-2 participants is allocated among those counties and other regions as of June 30, 2009.

DCF is required to seek federal funds to pay for the cost of operating the demonstration project and may conduct the project only to the extent that DCF obtains federal funds. DCF is required to promulgate rules for the operation of the demonstration project.

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2009 Wisconsin Act 333 expands the trial jobs program and modifies the transitional jobs demonstration project contingent on DCF determining the expansion of the trial jobs program and the modification of the transitional jobs demonstration project is a mechanism for obtaining some or all of available federal moneys from the TANF Emergency Fund. If DCF determines that expanding and modifying those programs is the preferred mechanism for obtaining that federal funding, DCF must publish a notice in the Wisconsin Administrative Register that states the date on which DCF made that determination. The provisions of the Act expanding the trial jobs program and modifying the demonstration project take effect on the date stated in that notice.

DCF determines that federal moneys from the TANF Emergency Fund are no longer available to support the expansion of the trial jobs program and the modification of the transitional jobs demonstration project, DCF must publish a notice in the Wisconsin Administrative Register that states the date on which the federal moneys may no longer be obtained. As under the Act, on the date stated in such notice, the provisions of the Act expanding the trial jobs program and modifying the demonstration project are repealed on the date stated in such a notice.

The Act expands the trial jobs program and modifies the trial jobs demonstration project as follows

- Provides a wage subsidy that is equal to the amount of wages that the employer actually pays the participant, up to 40 hours per week at minimum wage.
- Provides that any employer that employs a participant for a minimum of 20 hours per week at a location in this state under the trial jobs program and agrees to make a good faith effort to retain the participant as a permanent unsubsidized employee after the subsidy is terminated is eligible for a wage subsidy.
- Limits a participant's participation in a trial job to a maximum of 1,040 hours, including education and training activities.

The Act also makes the following changes to the transitional jobs demonstration project:

- Eliminates the cap of 2,500 on the number of jobs that must be provided under the demonstration project.
- Eliminates the specific counties and other regions in which the jobs must be allocated under the demonstration project.

The Act requires DCF to submit a report to the Joint Committee on Finance regarding progress in implementing the trial jobs expansion and the transitional jobs demonstration project and employers participating within 30 days after the end of each calendar quarter.

The Act requires a W-2 agency to collaborate with the local workforce development board to connect individuals seeking employment with employment opportunities, including the expanded trial jobs program under the bill and, if operating in a geographical area in which the W-2 agency administers W-2, the transitional jobs demonstration project.

The Act also requires the Department of Workforce Development to publicize and maintain information relating to the trial jobs program and the transitional jobs demonstration project on its job center website so that employers and individuals seeking employment may obtain information about the programs, including how to participate in them.

The provisions relating to connecting individuals to employment opportunities and publicizing jobs program information remain in effect after federal moneys are no longer available.

Effective date: Act 333 took effect on May 27, 2010.

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